

ORDINANCE NO. 18 2011

CITY OF EGG HARBOR CITY

**“AN ORDINANCE READOPTING AND AMENDING ORDINANCE NO. 3-03
ESTABLISHING TAX EXEMPTIONS FOR NEW CONSTRUCTION”**

WHEREAS, N.J.S.A. 40A:21-3, Five Year Exemption and Abatement Law, authorizes municipalities to adopt an Ordinance providing for the eligibility of dwellings, multiple dwellings, or commercial and industrial structures for exemptions and abatements from taxation in areas in need or rehabilitation;

WHEREAS, the Egg Harbor City Council adopted such an Ordinance for multiple dwellings, commercial and residential structures pursuant to Ordinance No. 2-1993 and readopted such Ordinance pursuant to Ordinance No. 3-03; and

WHEREAS, the City Council of the City of Egg Harbor wishes to affirm and readopt Ordinance No. 3-03, and further wishes to amend such Ordinance to include the eligibility of new dwellings for such exemptions and abatements, the eligibility of which is permitted in accordance with N.J.S.A. 40A:21-4.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EGG HARBOR, County of Atlantic and State of New Jersey as follows:

SECTION 1. Ordinance No. 3-03 is hereby amended to include the new construction of dwellings as eligible for tax exemptions and abatements as provided for in N.J.S.A. 40A:21-3 et. seq. and all provisions of N.J.S.A. 40A:21-3 et. seq. including but not limited to application procedures, tax abatement agreements and payment in lieu

of taxes shall be available for new construction of dwellings;


SECTION 2. All other provisions of Ordinance No. 3-03 shall remain in full force and effect.

SECTION 3. Should any section, clause, sentence, phrase or provision of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the remaining provisions of this Ordinance.

SECTION 4. All other Ordinances or parts of Ordinances which are inconsistent with the provisions of this Ordinance are, and to the extent of such inconsistency hereby repealed.

SECTION 5. This Ordinance shall be effective immediately upon its being adopted by the City Council of the City of Egg Harbor City and published as required by law.

**CITY OF EGG HARBOR CITY, A
Municipal Corporation of the State of
New Jersey**



Mayor Joseph A. Kuehner, Jr.



Meg Steeb, City Clerk

Dated:

Introduced: August 25, 2011

Advertised: August 31, 2011

Adopted: September 8, 2011

ORDINANCE NO. 3-03

CITY OF EGG HARBOR CITY

AN ORDINANCE ESTABLISHING TAX EXEMPTIONS FOR NEW CONSTRUCTION OF COMMERCIAL OR INDUSTRIAL STRUCTURES

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF EGG HARBOR CITY, in the County of Atlantic and State of New Jersey (not less than two-thirds of all members thereof affirmatively concurring) as follows:

SECTION 1: The Legislature of the State of New Jersey has determined that various statutes authorized by Article VIII, Section 1, paragraph 6 of the New Jersey Constitution permit municipalities to grant exemptions from taxation for periods of five (5) years, in areas in need of rehabilitation and this has proven to be effective in promoting the construction and rehabilitation of residential and commercial and industrial structures in areas threatened with economic and social decline.

SECTION 2: The Legislature stated that it is the purpose of N.J.S.A. 40A:21-1, et seq. to permit municipalities the greatest flexibility possible within the constitutional limitations to address problems of deterioration and decay while preserving the salient features of existing tax exemption or abatement programs.

SECTION 3: N.J.S.A. 40A:21-4 enables the governing body of a municipality to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution to adopt an ordinance setting forth the eligibility or non-eligibility of dwellings, multiple dwellings, or commercial and industrial structures, or all of these, for exemptions or abatements, or both, from taxation in areas in need of rehabilitation.

SECTION 4: The governing body of the municipality has determined that, apart from existence of any area in the municipality that has been or could be formally declared blighted or in need of rehabilitation, there are trends toward deterioration that, unless countered by such incentives, will inexorably tend toward such conditions within a municipality.

SECTION 5: The Common Council of the City of Egg Harbor City has determined that in order to provide gainful employment within the City and to assist in the economic development of the City and maintain, diversify and expand commerce within the City, the greater interest of the City of Egg Harbor City is served by encouraging the development of new commercial and industrial structures through the tax exemptions set forth in N.J.S.A. 40A:21-1 et seq. and this Ordinance.

SECTION 6: N.J.S.A. 40A:21-8 enables the municipality to adopt an ordinance which shall provide for tax agreements for the exemption and abatement from taxation for construction of commercial or industrial structures, or multiple dwellings, or both, with said Ordinance setting forth the procedures for entering into the agreements for the exemption or abatement of real property taxes.

SECTION 7: Pursuant to N.J.S.A. 40A:21-9 applicants for tax exemption for new construction of commercial or industrial structures shall provide the municipal governing body with a application setting forth: (a) a general description of a project for which exemption is sought; (b) a legal description of all real estate necessary for the project; (c) plans, drawings, and other documents as may be required by the governing body to demonstrate the structure and design of the project; (d) a description of the number, classes and types of employees to be employed at the project site within two (2)

years of completion of the project; (e) a statement of the reasons for seeking tax exemption on the project, and a description of the benefits to be realized by the applicant if a tax agreement is granted; (f) estimates of the cost of completing such project; (g) a statement showing (1) the real property taxes currently being assessed at the project site; (2) estimated tax payments that would be made annually by the applicant on the project during the period of the agreement, and (3) estimated tax payments that would be made by the applicant on the project during the first full year following the termination of the tax agreement; (h) if the project is a commercial or industrial structure, a description of any lease agreements between the applicant and proposed users of the project, and a history and description of the users' businesses; (i) if the project is a multiple dwelling, a description of the number and types of dwelling units to be provided, a description of the common elements or dwellings' units respecting low or moderate income housing; and (j) such other pertinent information as the governing body may require.

SECTION 8: Upon adoption of an ordinance authorizing a tax agreement for a particular commercial or industrial project, commercial or industrial, the Common Council of the City of Egg Harbor City may enter into a written agreement with the applicant for the exemption of local real property taxes. The agreement shall provide for the applicant to pay to the municipality, in lieu of full property tax payments, an amount annually to be computed by the formula set forth in N.J.S.A. 40A:21-10 (c).

SECTION 9: Pursuant to N.J.S.A. 40A:21-10 (c), the tax agreement may provide for the applicant to pay to the municipality in lieu of full property tax payments an amount equal to a percentage of taxes otherwise due, according to the following schedule:

- (1) In the first full tax year after completion, no payment in lieu of taxes otherwise due;
- (2) In the second tax year, an amount not less than twenty (20%) percent of taxes otherwise due;
- (3) In the third tax year, an amount not less than forty (40%) percent of taxes otherwise due;
- (4) In the fourth tax year, an amount not less than sixty (60%) percent of taxes otherwise due;
- (5) In the fifth tax year, an amount not less than eighty (80%) percent of taxes otherwise due.

SECTION 10: Should any section, clause, sentence, phrase or provision of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the remaining provisions of this Ordinance.


SECTION 11: All other ordinances or parts of ordinances which are inconsistent with the provisions of this Ordinance are, and to the extent of such inconsistency hereby repealed.

SECTION 12. This Ordinance shall be effective immediately upon its being adopted by the Common Council of the City of Egg Harbor City and published as required by law.

**CITY OF EGG HARBOR CITY, A Municipal
Municipal Corporation of the
State of New Jersey**



Mayor James E. McGeary



Lillian DeBow, City Clerk