

TOWN OF NEWTON
ORDINANCE 2016-10

AN ORDINANCE AUTHORIZING THE TOWN OF NEWTON TO IMPLEMENT THE FIVE-YEAR EXEMPTION AND ABATEMENT LAW, GRANTING TAX EXEMPTIONS FOR CERTAIN IMPROVEMENTS TO, AND CONSTRUCTION OF, RESIDENTIAL DWELLINGS, CERTAIN IMPROVEMENTS TO MULTIPLE DWELLINGS, CERTAIN IMPROVEMENTS TO INDUSTRIAL STRUCTURES AND CERTAIN IMPROVEMENTS TO COMMERCIAL STRUCTURES, ALL WITHIN THE DOWNTOWN HISTORIC DISTRICT, AND SUPERSEDING ANY OTHER ORDINANCE GRANTING SUCH EXEMPTIONS

WHEREAS, the Five-Year Exemption and Abatement Law, *N.J.S.A. 40A:21-1 et seq.* (the “**Exemption Law**”) enables municipalities which contain an area that has been designated as an area in need of rehabilitation pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”), to provide for the short-term exemption or abatement of local property taxes imposed upon eligible dwellings, commercial and industrial structures within such rehabilitation area; and

WHEREAS, on April 23, 2007, the Town of Newton (the “**Town**”) designated certain properties within its borders as an area in need of rehabilitation in accordance with the Redevelopment Law (the “**Rehabilitation Area**”); and

WHEREAS, Section 20A-1 *et seq.* of the Newton Municipal Code (the “**Historic Preservation Ordinance**”) provides that the Town may create one or more historic districts; and

WHEREAS, the Historic Preservation Ordinance further provides that proposed construction, improvements, relocation or renovation of properties lying within such historic districts may be subject to review by the Newton Historic Preservation Advisory Commission under certain circumstances, in addition to review by the Town Planning Board, where appropriate; and

WHEREAS, at this time, the Town has designated one historic district within its boundaries (as set forth at Exhibit A, attached hereto, as may be thereafter amended or supplemented, the “**Downtown Historic District**”); and

WHEREAS, the Downtown Historic District is wholly within the Rehabilitation Area; and

WHEREAS, the Town believes the historic preservation of the properties within the Downtown Historic District is of great importance to the Town as a whole; and

WHEREAS, the Town, in recognizing improvements to or construction of properties within the Downtown Historic District to historic standards may be more costly than such improvements or construction would be otherwise, previously adopted Ordinance 2011-15 (the “**2011 Ordinance**”) to encourage such investment in the Downtown Historic District by

alleviating a portion of the costs of such improvements or construction in certain circumstances; and

WHEREAS, in accordance with Section 10 of the 2011 Ordinance, said ordinance was to lapse, unless readopted, on September 30, 2016, and no exemptions were to be granted after September 30, 2016, without such re adoption; and

WHEREAS, the Town believes the historic preservation of the properties within the Downtown Historic District continues to be of great importance to the Town as a whole and that the granting of short-term tax exemptions would continue to encourage much-needed private investment in the Downtown Historic District; and

WHEREAS, the Town now desires to re adopt the 2011 Ordinance for an additional five years, in accordance with Section 4 of the Exemption Law,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Town Council of the Town of Newton as follows:

Section 1. General. The recitals set forth above are incorporated herein as if set forth at length.

Section 2. Definitions. All terms utilized in this ordinance not specifically defined herein shall conform to the meanings set forth in the Exemption Law. For ease of reference, the definitions set forth in the Exemption Law as of the date of the adoption of this Ordinance are attached hereto as Exhibit B. However, if the definitions set forth in the Exemption Law shall be subsequently amended, then the Exemption Law, and not Exhibit B, shall control.

Section 3. Statement of Purpose. The Town hereby determines to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution to establish the eligibility of certain dwellings, commercial structures and industrial structures for exemptions, as provided in this ordinance and as permitted by the Exemption Law, throughout the Downtown Historic District.

Section 4. Exemptions Authorized to be Implemented by Tax Assessor. The Town hereby determines to provide for the exemption from taxation of certain improvements and certain new construction occurring within the Downtown Historic District. To the extent that a property owner shall apply to the Town's Tax Assessor (the "**Tax Assessor**") within the time period prescribed by the New Jersey Department of Treasury in accordance with the Exemption Law, which currently requires submission within thirty (30) calendar days following completion of the improvements or construction for which the exemption is sought, and shall provide documentation to the Tax Assessor, in a form and manner acceptable to the Tax Assessor and consistent with the Exemption Law, of compliance with this section, such property owner shall be entitled to the relevant exemption enumerated herein without any need for action by the Town Council.

(a) Residential – Improvements. The Town hereby determines to provide for the

exemption from taxation of certain improvements made to dwellings, on the following terms and conditions:

(1) The term “dwelling,” for purposes of this Section 4(a), shall include condominium residential units but not cooperative type residential properties.

(2) The term “dwelling,” for purposes of this Section 4(a), shall not include “multiple dwellings,” as defined by the Exemption Law.

(3) Only dwellings that are more than twenty (20) years old shall be eligible for exemption.

(4) The term “improvements,” for purposes of this subsection, shall mean a modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness of the structure as a place for human habitation, and which does not change its permitted use.

(5) To the extent that a dwelling shall comply with the requirements set forth at subsections (1) through (5), above, in determining the value of real property for each dwelling unit, the Town shall regard the first \$15,000 in the Tax Assessor's full and true value of improvements for each dwelling unit primarily and directly affected by the improvements as not increasing the value of the property for a period of five years, notwithstanding the value of the property to which the improvements are made is increased thereby. During the exemption period, the assessment on any property pursuant to this paragraph shall not be less than the assessment thereon existing immediately prior to the improvements, except if there is damage to the dwelling through action of the elements sufficient to warrant a reduction.

(b) Residential – New Construction. The Town hereby determines to provide for an exemption of 30% of the Tax Assessor's full and true value for a period of five years following construction of new dwellings. The term “dwelling,” for purposes of this Section 4(b), shall include condominium residential units but not cooperative type residential units, and shall not include multiple dwellings. This exemption is to be granted notwithstanding that the value of the property upon which the construction occurs is increased thereby.

(c) Residential – Multiple Dwellings – Improvements. (1) The Town hereby determines to provide for an exemption of 100% of the Tax Assessor's full and true value for a period of five years following the construction of improvements to multiple dwellings. The term “multiple dwelling” shall have that meaning ascribed to it by the Exemption Law. The definition of “multiple dwelling” set forth in the Exemption Law as of the date of adoption of this ordinance is set forth at Exhibit B, attached hereto.

(2) This exemption is to be granted notwithstanding the value of the property upon which the construction occurs is increased thereby. During the exemption period, the assessment on any property pursuant to this Section 4(c) shall not be less than the assessment thereon existing immediately prior to the improvements, except if there is damage to the multiple dwelling through action of the elements sufficient to warrant a reduction.

(d) Commercial – Improvements. The Town hereby determines to provide for the exemption from taxation of certain improvements made to commercial structures, on the following terms and conditions:

(1) For purposes of this ordinance, the term “commercial structure” relates to office, retail and like uses, but does not include multiple dwellings.

(2) For purposes of this ordinance, the term “commercial structure” shall include a structure which contains both residential units and some other commercial use (for example, retail), provided that the structure is not part of a condominium or cooperative regime and further provided that the structure does not qualify as a multiple dwelling under the Exemption Law.

(3) To the extent that improvements to a commercial structure shall comply with the requirements set forth at subsections (1) and (2), above, the Town hereby determines to provide for an exemption of 100% of the Tax Assessor’s full and true value for a period of five years following the construction of the improvements. This exemption is to be granted notwithstanding that the value of the property upon which the construction of the improvement occurs is increased thereby.

(e) Industrial – Improvements. The Town hereby determines to provide for the exemption from taxation of certain improvements made to industrial structures, on the following terms and conditions:

(1) Improvements must be made to both the interior and exterior of a structure in order to qualify for exemption under this section.

(2) Only improvements with a cost of less than \$1,000,000 shall be eligible for exemption under this section.

(3) No less than 25% of the improvement cost shall be attributable to the exterior improvements.

(4) To the extent that improvements to an industrial structure shall comply with the requirements set forth at subsections (1) through (3), above, the Town hereby determines to provide for an exemption of 100% of the Tax Assessor’s full and true value for a period of five years following the construction of the improvements. This exemption is to be granted notwithstanding that the value of the property upon which the construction of the improvement occurs is increased thereby.

(5) To the extent that improvements to a commercial structure do not comply with one or more of subsections (1) through (3), above, a property owner is not eligible for exemption under this section but may apply to the Town for consideration of the proposed exemption in accordance with Section 5 hereof.

Section 5. Exemptions Requiring Application to the Town Council. (a) Exemptions for Which Application is Required. The Town hereby determines that any property owner seeking exemption from taxation with respect to industrial improvements which do not meet the requirements of Section 4(e)(1) through Section 4(e)(3), respectively, shall make application to the Town Council in accordance with this section, within thirty (30) calendar days following completion of the improvements or construction for which the exemption is sought. However, nothing in this ordinance shall prohibit a property owner who has made more than \$1,000,000 in industrial improvements which otherwise comply with the applicable requirements of Section 4 from foregoing exemption of the improvements in excess of \$1,000,000 and seeking instead an as of right exemption from the Tax Assessor to the limits permitted by Section 4 above.

(b) Contents of Application. Applicants for an exemption under this section shall provide the Town Council and the Tax Assessor with the following information:

- (1) A general description of the project for which exemption is sought, and an estimated schedule of completion for the project;
- (2) A legal description of all real estate necessary for the project;
- (3) Plans, drawings and other documents as may be required by the Town Council to demonstrate the structure and design of the project;
- (4) A description of the number, classes and type of employees to be employed at the project site within two years of completion of the project;
- (5) A statement of the reasons for seeking an exemption on the project, and a description of the benefits to be realized by the Town and the property owner if an exemption is granted;
- (6) Estimates of the cost of completing the project;
- (7) A statement showing (i) the real property taxes currently being assessed at the project site; (ii) estimated tax payments that would be made annually by the property owner with respect to the project during the period of the exemption, and (iii) estimated tax payments that would be made by the property owner with respect to the project during the first full year following the termination of the exemption;
- (8) A description of any lease agreements between the property owners and proposed users of the project, and a history and description of the users' businesses;
- (9) A certification by the property owner listing (i) all properties within the Town owned by the property owner or in which the property owner has an interest and (ii) all agreements with the Town to which the property owner is a party; and
- (10) Such other pertinent information as the Town may require.

(c) Review and Recommendation by Tax Assessor. Within thirty (30) days of receipt of the information set forth at Section 5(b), above, the Tax Assessor shall review the information provided and shall provide written recommendations to the Town Council with respect to same.

(d) Action by Town Council. Within sixty (60) days of receipt of the Tax Assessor's recommendations, the Town Council shall consider the application for exemption, and shall by resolution either disapprove the exemption or approve an exemption of 100% of the value of the improvements for a five year period following the completion of construction.

Section 6. Additional Exemptions When Property Already Subject to Exemption. The Town hereby determines that an additional improvement or construction completed on a property already granted a previous exemption pursuant to this ordinance during the period in which the previous exemption is in effect, shall be eligible to qualify for an additional exemption under the standards identified in this ordinance. The additional improvement or construction shall be considered as separate for purposes of calculating the exemption, except the assessed value of any previous improvement or construction shall be added to the assessed valuation as it was prior to that improvement or construction for the purpose of determining the assessed value of the property for which any additional exemption is to be subtracted.

Section 7. Tax Delinquency. No exemption shall be granted pursuant to this ordinance with respect to any property for which real estate taxes or other municipal charges are delinquent or remain unpaid, or for which penalties and interest for non-payment of taxes are due.

Section 8. Revaluation During Exemption Period. In the event the Town implements a revaluation or reassessment during the exemption period for any property, any exemptions granted hereunder shall continue to apply but at a valuation level consistent with the revaluation or reassessment.

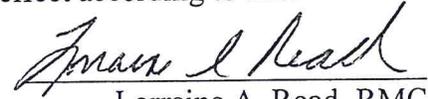
Section 9. Revision of Base Assessment During Exemption Period. The granting of an exemption for a particular property shall not prejudice the right of the Town to appropriately examine and revise the assessment during the five-year exemption period in the event the base assessment is found to be improperly valued and assessed.

Section 10. Effective Date; Sunset Provision. Upon final passage and publication as provided by law, this ordinance shall take effect on October 1, 2016, and shall authorize the Town to grant exemptions up to a five-year period. This ordinance shall lapse, unless readopted, on September 30, 2021, and no exemptions shall be granted after September 30, 2021, without such re adoption.

Section 11. Prior Actions Superseded. Any and all previous ordinances adopted by the Town relating to the Exemption Law are hereby superseded by this ordinance.

NOTICE

TAKE NOTICE that the above Ordinance was introduced at a regular meeting of the Town Council of the Town of Newton conducted on July 18, 2016. It was adopted, after final reading and public hearing thereon, at a regular meeting of the Newton Governing Body conducted at 7:00 pm on August 22, 2016, in the Council Chambers at the Newton Municipal Building, 39 Trinity Street, Newton, New Jersey, and shall take effect according to law.



Lorraine A. Read, RMC
Municipal Clerk

EXHIBIT A

DOWNTOWN HISTORIC DISTRICT

HISTORIC PROPERTY LIST

AUGUST 22, 2016

Block	Lot	Property Location	Block	Lot	Property Location
4.03	1	99 HIGH ST	7.04	6	74 HIGH ST
4.03	2	95 HIGH ST	7.04	7	20 DIVISION ST
4.03	3	91 HIGH ST	7.04	8	18 DIVISION ST
4.03	4	89 HIGH ST	7.04	9	12 DIVISION ST
4.03	5	85-87 HIGH ST	7.04	10	8 DIVISION ST
4.03	6	83 HIGH ST	7.04	11	3 LINWOOD ANNEX
4.03	7	81 HIGH ST	7.04	12	17-19 LIBERTY ST
4.03	8	79 HIGH ST	7.04	13	21-23 LIBERTY ST
4.03	9	77 HIGH ST	7.04	14	25 LIBERTY ST
4.03	10	75 HIGH ST	7.04	15	29 LIBERTY ST
4.03	11	73 HIGH ST	7.04	16	31 LIBERTY ST
4.03	12	71 HIGH ST	7.04	17	33 LIBERTY ST
4.03	13	69 HIGH ST	7.05	1	72 HIGH ST
4.03	14	2 ACADEMY ST	7.05	2	19 DIVISION ST
4.03	15	4 ACADEMY ST	7.05	3	17 DIVISION ST
4.03	16	8 ACADEMY ST	7.05	4	15 DIVISION ST
4.03	17	10 ACADEMY ST	7.05	5	11 DIVISION ST
4.03	18	14 ACADEMY ST	7.05	6	9 DIVISION ST
4.03	19	18 ACADEMY ST	7.05	7	7 DIVISION ST
5.01	13	7 HIGH ST	7.05	9	18 CHURCH ST
5.01	14	9 HIGH ST	7.05	10	22 CHURCH ST
5.01	15	15 HIGH ST	7.05	11	24-24-1/2 CHURCH ST
5.01	16	11 HIGH ST	7.05	12	26 CHURCH ST
5.01	17	17 HIGH ST	7.05	13	28 CHURCH ST
5.01	18	35 HIGH ST	7.05	14	64 HIGH ST
5.01	19	39 HIGH ST	7.05	15	66 HIGH ST
5.01	20	49 HIGH ST	7.05	16	68 HIGH ST
5.01	21	51 HIGH ST	7.05	17	70 HIGH ST
5.01	22	53 HIGH ST	7.06	1	5 DIVISION ST
5.01	23	55-57 HIGH ST	7.06	2	92 MAIN ST
5.01	24	59 HIGH ST	7.06	3	90 MAIN ST
5.01	25	63 HIGH ST	7.06	4	86 MAIN ST
5.01	26	67 HIGH ST	7.06	5	82 MAIN ST
5.01	27	3 ACADEMY ST	7.06	6	4-6 CHURCH ST
5.01	28	5 ACADEMY ST	7.06	7	8-10 CHURCH ST
7.03	2	102 HIGH ST	7.06	8	12 CHURCH ST
7.03	3	98-100 HIGH ST	7.06	9	14-16 CHURCH ST
7.03	4	96 HIGH ST	7.07	1	15 LIBERTY ST
7.03	5	94 HIGH ST	7.07	2	4 LINWOOD ANNEX
7.03	6	38 LIBERTY ST	7.07	3	6 DIVISION ST
7.03	7	36 LIBERTY ST	7.07	4	94 MAIN ST
7.03	8	32 LIBERTY ST	7.07	5	96 MAIN ST
7.03	9	26 LIBERTY ST	7.07	6	100 MAIN ST-FRONT
7.03	10	22 LIBERTY ST	7.07	7	100 B MAIN ST
7.04	1	35 LIBERTY ST	7.07	8	7 LIBERTY ST
7.04	2	82 HIGH ST	7.07	9	9 LIBERTY ST
7.04	3	80 HIGH ST	7.08	10	14 LIBERTY ST
7.04	5	76-78 HIGH ST	7.08	11	8 LIBERTY ST

HISTORIC PROPERTY LIST
AUGUST 22, 2016

Block	Lot	Property Location	Block	Lot	Property Location
7.08	12	6 LIBERTY ST	8.04	13	149-153 SPRING ST
7.08	13	110 MAIN ST	8.04	14	141-143 SPRING ST
7.08	14	116 MAIN ST	8.04	15	137 SPRING ST-ALLEY WAY
7.09	1	132 MAIN ST	8.04	16	131 SPRING ST
7.09	2	128 MAIN ST	8.04	17	127-129 SPRING ST
7.09	3	124 MAIN ST	8.04	18	123 SPRING ST
7.09	4	3 DUNN PL	8.05	1	189-191 SPRING ST
7.09	5	122 MAIN ST	8.05	10	223 SPRING ST
8.01	1	54 HIGH ST	8.05	11	221 SPRING ST
8.01	4	4 PARK PL	8.05	12	219 SPRING ST
8.01	5	30 PARK PL	8.05	13	211-213 SPRING ST
8.01	6	40 PARK PL	8.05	14	201 SPRING ST
8.01	7	MAIN ST	8.06	5	214 SPRING ST
8.01	8	62 MAIN ST	8.06	6	216 SPRING ST
8.01	9	66 MAIN ST	8.06	7	218 SPRING ST
8.01	10	19 CHURCH ST	8.06	8	220 SPRING ST
8.02	1	4 HIGH/SPRING ST/PARK PL	8.06	10	234 SPRING ST
8.03	3	SPRING ST	8.08	1	91 MAIN ST
8.03	3	83 SPRING ST	8.08	2	89 MAIN ST
8.03	3	83 SPRING ST	8.08	3	85-87 MAIN ST
8.03	3	83 SPRING ST	8.08	4	83 MAIN ST
8.03	3	83 SPRING ST	8.08	5	81 MAIN ST
8.03	3	83 SPRING ST	8.08	6	79 MAIN ST
8.03	3	83 SPRING ST	8.08	7	75 MAIN ST
8.03	3	83 SPRING ST	8.08	8	63 MAIN ST
8.03	3	83 SPRING ST	8.08	9	59 MAIN ST
8.03	3	83 SPRING ST	8.08	10	41-47 MAIN ST
8.03	3	83 SPRING ST	8.08	11	39 MAIN ST
8.03	3	83 SPRING ST	8.08	12	21 MAIN ST
8.03	3	83 SPRING ST	8.08	13	17 MAIN ST
8.03	3	83 SPRING ST	8.08	14	9-11 MAIN ST
8.03	3	83 SPRING ST	8.08	15	7 MAIN ST
8.03	5	MORAN ST	8.08	16	3 MAIN ST
8.03	6	9 MORAN ST	8.08	17	1 MAIN ST
8.03	7	111 SPRING ST	8.08	18	108-110 SPRING ST
8.03	8	115 SPRING ST	8.08	19	112 SPRING ST
8.03	9	103 SPRING ST	8.08	20	116 SPRING ST
8.03	10	93-95 SPRING ST	8.08	21	112-120 SPRING ST
8.03	11	71-75 SPRING ST	8.08	22	124 SPRING ST
8.03	12	65-67 SPRING ST	8.08	23	132 SPRING ST
8.03	13	57-61 SPRING ST	8.08	24	144 SPRING ST
8.04	6	185 SPRING ST	8.08	25	150 SPRING ST
8.04	7	181-183 SPRING ST	8.08	26	156-160 SPRING ST
8.04	8	179 SPRING ST	8.08	27	166-168 SPRING ST
8.04	9	173 SPRING ST	8.08	28	170 SPRING ST
8.04	10	169 SPRING ST	8.08	29	1 ADAMS ST
8.04	11	163-165 SPRING ST - REAR	8.08	30	3 ADAMS ST
8.04	12	155-157 SPRING ST	8.08	31	11 ADAMS ST

HISTORIC PROPERTY LIST

AUGUST 22, 2016

Block	Lot	Property Location	Block	Lot	Property Location
8.08	32	13 ADAMS ST			
8.08	44	MAIN ST-REAR			
8.08	45	MAIN ST-REAR			
8.09	4	4 ADAMS ST			
8.09	5	180 SPRING ST			
8.09	6	188 SPRING ST			
8.09	7	196 SPRING ST			
8.09	8	200 SPRING ST			
14.01	1	125 MAIN ST			
14.01	2	121 MAIN ST			
14.01	3	117 MAIN ST			
14.01	4	115 MAIN ST			
14.01	5	113 MAIN ST			
14.01	6	105 MAIN ST			
14.01	17	131 MAIN ST			
14.03	1	101 MAIN ST			
14.03	2	97 MAIN ST TO ELM			
14.03	3	93 MAIN ST			

EXHIBIT B

DEFINITIONS SET FORTH IN THE ACT AS OF THE DATE OF ADOPTION

[N.J.S.A.] 40A:21-3. Definitions. As used in this act: [FN1]

a. "Abatement" means that portion of the assessed value of a property as it existed prior to construction, improvement or conversion of a building or structure thereon, which is exempted from taxation pursuant to this act.

b. "Area in need of rehabilitation" means a portion or all of a municipality which has been determined to be an area in need of rehabilitation or redevelopment pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c. 79 (C.40A:12A-1 et al.), a "blighted area" as determined pursuant to the "Blighted Areas Act," P.L.1949, c. 187 (C.40:55-21.1 et seq.), or which has been determined to be in need of rehabilitation pursuant to P.L.1975, c. 104 (C.54:4-3.72 et seq.), P.L.1977, c. 12 (C.54:4-3.95 et seq.), or P.L.1979, c. 233 (C.54:4-3.121 et al.).

c. "Assessor" means the officer of a taxing district charged with the duty of assessing real property for the purpose of general taxation.

d. "Commercial or industrial structure" means a structure or part thereof used for the manufacturing, processing or assembling of material or manufactured products, or for research, office, industrial, commercial, retail, recreational, hotel or motel facilities, or warehousing purposes, or for any combination thereof, which the governing body determines will tend to maintain or provide gainful employment within the municipality, assist in the economic development of the municipality, maintain or increase the tax base of the municipality and maintain or diversify and expand commerce within the municipality. It shall not include any structure or part thereof used or to be used by any business relocated from another qualifying municipality unless: the total square footage of the floor area of the structure or part thereof used or to be used by the business at the new site together with the total square footage of the land used or to be used by the business at the new site exceeds the total square footage of that utilized by the business at its current site of operations by at least 10%; and the property that the business is relocating to has been the subject of a remedial action plan costing in excess of \$250,000 performed pursuant to an administrative consent order entered into pursuant to authority vested in the Commissioner of Environmental Protection under P.L.1970, c.33 (C.13:1D-1 et al.), the "Water Pollution Control Act," P.L. 1977, c. 74 (C.58:10A-1 et seq.), the "Solid Waste Management Act," P.L.1970, c. 39 (C.13:1E-1 et seq.), and the "Spill Compensation and Control Act," P.L.1976, c. 141 (C.58:10-23.11 et seq.).

e. "Completion" means substantially ready for the intended use for which a building or structure is constructed, improved or converted.

f. "Condominium" means a property created or recorded as a condominium pursuant to the "Condominium Act," P.L.1969, c. 257 (C.46:8B-1 et seq.).

g. "Construction" means the provision of a new dwelling, multiple dwelling or commercial or industrial structure, or the enlargement of the volume of an existing multiple dwelling or commercial or industrial structure by more than 30%, but shall not mean the conversion of an existing building or structure to another use.

h. "Conversion" or "conversion alteration" means the alteration or renovation of a nonresidential building or structure, or hotel, motel, motor hotel or guesthouse, in such manner as to convert the building or structure from its previous use to use as a dwelling or multiple dwelling.

i. "Cooperative" means a housing corporation or association, wherein the holder of a share or membership interest thereof is entitled to possess and occupy for dwelling purposes a house, apartment, or other unit of housing owned by the corporation or association, or to purchase a unit of housing owned by the corporation or association.

j. "Cost" means, when used with respect to abatements for dwellings or multiple dwellings, only the cost or fair market value of direct labor and materials used in improving a multiple dwelling, or of converting another building or structure to a multiple dwelling, or of constructing a dwelling, or of converting another building or structure to a dwelling, including any architectural, engineering, and contractor's fees associated therewith, as the owner of the property shall cause to be certified to the governing body by an independent and qualified architect, following the completion of the project.

k. "Dwelling" means a building or part of a building used, to be used or held for use as a home or residence, including accessory buildings located on the same premises, together with the land upon which such building or buildings are erected and which may be necessary for the fair enjoyment thereof, but shall not mean any building or part of a building, defined as a "multiple dwelling" pursuant to the "Hotel and Multiple Dwelling Law," P.L.1967, c. 76 (C.55:13A-1 et seq.). A dwelling shall include, as they are separately conveyed to individual owners, individual residences within a cooperative, if purchased separately by the occupants thereof, and individual residences within a horizontal property regime or a condominium, but shall not include "general common elements" or "common elements" of such horizontal property regime or condominium as defined pursuant to the "Horizontal Property Act," P.L.1963, c. 168 (C.46:8A-1 et seq.), or the "Condominium Act," P.L.1969, c. 257 (C.46:8B-1 et seq.), or of a cooperative, if the residential units are owned separately.

l. "Exemption" means that portion of the assessor's full and true value of any improvement, conversion alteration, or construction not regarded as increasing the taxable value of a property pursuant to this act.

m. "Horizontal property regime" means a property submitted to a horizontal property regime pursuant to the "Horizontal Property Act," P.L.1963, c. 168 (C.46:8A-1 et seq.).

n. "Improvement" means a modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness of the building or structure as a place for human habitation

or work, and which does not change its permitted use. In the case of a multiple dwelling, it includes only improvements which affect common areas or elements, or three or more dwelling units within the multiple dwelling. In the case of a multiple dwelling or commercial or industrial structure, it shall not include ordinary painting, repairs and replacement of maintenance items, or an enlargement of the volume of an existing structure by more than 30%. In no case shall it include the repair of fire or other damage to a property for which payment of a claim was received by any person from an insurance company at any time during the three year period immediately preceding the filing of an application pursuant to this act.

o. "Multiple dwelling" means a building or structure meeting the definition of "multiple dwelling" set forth in the "Hotel and Multiple Dwelling Law," P.L.1967, c. 76 (C.55:13A-1 et seq.) [which is set forth below], and means for the purpose of improvement or construction the "general common elements" and "common elements" of a condominium, a cooperative, or a horizontal property regime.

p. "Project" means the construction, improvement or conversion of a structure in an area in need of rehabilitation that would qualify for an exemption, or an exemption and abatement, pursuant to P.L.1991, c. 441 (C.40A:21-1 et seq.).

q. "Annual period" means a duration of time comprising 365 days, or 366 days when the included month of February has 29 days, that commences on the date that an exemption or abatement for a project becomes effective pursuant to section 16 of P.L.1991, c. 441 (C.40A:21-16).

[FN1] L.1991, c. 441 (N.J.S.A. § 40A:21-1 et seq.).

DEFINITION OF MULTIPLE DWELLING SET FORTH IN THE HOTEL AND MULTIPLE DWELLING LAW AS OF THE DATE OF ADOPTION

[N.J.S.A.] 55:13A-3. Definitions.

....

(k) The term "multiple dwelling" shall mean any building or structure of one or more stories and any land appurtenant thereto, and any portion thereof, in which three or more units of dwelling space are occupied, or are intended to be occupied by three or more persons who live independently of each other. This definition shall also mean any group of ten or more buildings on a single parcel of land or on contiguous parcels under common ownership, in each of which two units of dwelling space are occupied or intended to be occupied by two persons or households living independently of each other, and any land appurtenant thereto, and any portion thereof. This definition shall not include:

(1) any building or structure defined as a hotel in P.L.1967, c. 76 (C.55:13A-1 et seq.), or registered as a hotel with the Commissioner of Community Affairs as hereinafter provided, or occupied or intended to be occupied exclusively as such;

(2) a building section containing not more than four dwelling units, provided the building has at least two exterior walls unattached to any adjoining building section and the dwelling units are separated exclusively by walls of such fire-resistant rating as comports with the "State Uniform Construction Code Act," P.L.1975, c. 217 (C.52:27D-119 et seq.) at the time of their construction or with a rating as shall be established by the bureau in conformity with recognized standards and the building is held under a condominium or cooperative form of ownership, or by a mutual housing corporation, provided that if any units within such a building section are not occupied by an owner of the unit, then that unit and the common areas within that building section shall not be exempted from the definition of a multiple dwelling for the purposes of P.L.1967, c. 76 (C.55:13A-1 et seq.). A condominium association, or a cooperative or mutual housing corporation shall provide the bureau with any information necessary to justify an exemption for a dwelling unit pursuant to this paragraph; or

(3) any building of three stories or less, owned or controlled by a nonprofit corporation organized under any law of this State for the primary purpose to provide for its shareholders or members housing in a retirement community as same is defined under the provisions of the "Retirement Community Full Disclosure Act," P.L.1969, c. 215 (C.45:22A-1 et seq.), provided that the corporation meets the requirements of section 2 of P.L.1983, c. 154 (C.55:13A-13.1).

