

18-07
**ORDINANCE OF THE BOROUGH OF
MERCHANTVILLE, COUNTY OF CAMDEN AND STATE
OF NEW JERSEY ADDING ARTICLE III., SPECIAL
ASSESSMENT DISTRICTS, TO CHAPTER 77, TAXATION,
IN THE CODE OF THE BOROUGH OF
MERCHANTVILLE**

BE IT ORDAINED by the Mayor and Borough Council of the Borough of Merchantville, County of Camden, and State of New Jersey, that Article III., Special Assessment District, be and hereby is added to Chapter 77, Taxation, in the Code of the Borough of Merchantville, as follows:

ARTICLE I. ARTICLE III. SECTION 77-11 Purpose.

It is the intent and purpose of this Ordinance to:

- A. Authorize the Borough to finance public facilities through the levying and collection of special assessments;
- B. Provide a mechanism for the Borough to levy and collect special assessments from property to recover the cost of providing public facilities that peculiarly benefit the property upon which they are imposed;
- C. Define the procedural and substantive requirements for special assessments and special assessment districts for capital costs and service charges of public facilities covered in plan element of the Borough;

D. Shift the financing of public facilities from all taxpayers to those who specifically benefit from such public facilities; and

E. Authorize the Borough to establish special assessment districts and levy special assessments for the purpose of providing public facilities to benefit property owners in such designated special assessment districts.

ARTICLE II. ARTICLE III. SECTION 77-12 Definitions.

As used in this Ordinance, the term:

COMPREHENSIVE PLAN - means a plan adopted pursuant to the N.J.S.A. 40:48-1 et seq.

DEVELOPMENT - means any construction or expansion of a building or structure, any change in the use of a building or structure, or any land use change that affects the Borough's need for public facilities.

GOVERNING BODY - means the Borough Council of the Borough of Merchantville.

PROPORTIONATE SHARE OF THE BENEFITS - means that share, or portion, of the value of the total public facilities and service which specially and peculiarly benefits the property upon which they are imposed, and in no event shall such share or portion be in excess of the benefits such property receives by reason of such improvement.

PUBLIC FACILITIES - means capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program, that have a life expectancy of at least twenty (20)

or more years.

PUBLIC SERVICES - means the performance by employees, consultants, or agents of functions, operations, design, engineering, planning and maintenance, and repair activities in order to provide public facilities.

SPECIAL ASSESSMENT - means a charge imposed upon property located within a designated special assessment district by the Borough of Merchantville to pay for public facilities and services which peculiarly and specially benefit the property upon which they are imposed.

SPECIAL ASSESSMENT DISTRICT - means the district in which public facilities and services are to be provided and in which special assessments and charges may be levied and collected pursuant to this Ordinance to pay for those public facilities and services.

ARTICLE III. ARTICLE III. SECTION 77-13 Authority.

Consistent with the provisions of this Ordinance, the Borough may adopt provisions authorizing that government to establish, and subsequently merge or abolish those created hereunder, special assessment districts for any part or all of the area of such local government, within which may be provided public facilities and services from funds derived from service charges, special assessments, or other charges within such special assessment district.

A. For the purpose of providing public facilities and services, capital improvements

for sidewalks, consistent with the Merchantville Sidewalk Replacement Program, within any special assessment district, the Borough may levy and collect service charges, special assessments, or other charges within such special assessment district, and borrow and expend money, issue bonds, revenue certificates, and other obligations of indebtedness, which powers shall be exercised in such manner, and subject to such limitations, as may be provided by general law, in furtherance of the provision of the public facilities and services authorized by this Ordinance.

B. The provisions of this Ordinance shall not affect or limit any other provisions of law authorizing or providing for the furnishing of public facilities and services or the raising of revenue for these purposes. The Borough may use the provisions of this Ordinance instead of, or in conjunction with, any other method of financing part or all of the cost of providing the public facilities and services authorized under this Ordinance.

ARTICLE IV. ARTICLE III. SECTION 77-14 Requirements for Special Assessment Districts

A special assessment district must meet the following requirements:

A. Public facilities and services for which special assessments are levied and collected must peculiarly and specially benefit the property upon which the special assessments are imposed, capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program.

B. Special assessments levied and collected pursuant to a designated special

assessment district must not exceed a proportionate share of the benefits received by the property upon which the special assessments are imposed.

C. The proportionate share of the benefits received by the property upon which a special assessment is imposed shall be calculated and apportioned by using any equitable means of assessment and apportionment which the Borough Council of a local government may prescribe including, but not limited to, square footage, front-footage, increased value, number of dwelling units, distance from the public facility, traffic generation or other impact generation factors, or any combination thereof.

ARTICLE V. ARTICLE III. SECTION 77-15 Procedures for Special Assessment Districts.

A. Initiation of Proceeding. Proceedings for the establishment of a special assessment district may be instituted by the Borough Council when a written request is made, by the Mayor, describing the boundaries of the territory which is proposed for inclusion in the special assessment district and specifying that the special assessment district will provide capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program.

B. Ordinance Establishing Special Assessment District. Within twenty (20) days after the Mayor's written request for the institution of proceedings for the establishment of a special assessment district is filed, the Borough Council shall adopt an ordinance establishing a special assessment district in the form hereinafter specified.

C. Contents of Ordinance. Proceedings for the establishment of a special assessment district shall be instituted by the adoption of an ordinance establishing the special assessment district which shall:

(a) State that a special assessment district is established under the terms of this Ordinance and describe the proposed boundaries for inclusion in the special assessment district.

(b) State the name proposed for the special assessment district in substantially the following form: “_____ Special Assessment District.”

(c) State that capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program, are proposed to be provided within the special assessment district pursuant to this Ordinance.

(d) State that, except to the extent that funds are otherwise available and committed, a special assessment sufficient to pay for all such public facilities and services will be annually levied and collected within such special assessment district.

(e) The ordinance shall specify the rate, method and length of time for the payment of the special assessment in sufficient detail to allow each property owner participating in the Program to estimate the annual amount that he or she will have to pay.

D. Boundaries of District. In establishing the boundaries of a special assessment district, the Borough Council may alter the exterior boundaries of a special assessment district to include less territory than that described in the Mayor’s written request, notice of the public hearing, but it may not include any territory not described in the in the Mayor’s written request.

E. Types of Public Facilities and Services Provided. The type of public facilities to be provided in a special assessment district shall be specified in the ordinance to be limited to capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program, to those property owners who choose to participate in the Program.

ARTICLE VI. ARTICLE III. SECTION 77-16 Collection of Special Assessments and Service Charges

The special assessment may be collected in the same manner as ordinary ad valorem property taxes are collected and may be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ad valorem property taxes, or another procedure may be adopted if the Borough Council of the Borough prefers. The tax collector or the appropriate Borough official responsible for collecting the special assessments may deduct a service charge for the reasonable administrative costs incurred in collecting the special assessment.

ARTICLE VII. ARTICLE III. SECTION 77-17. Use of Proceeds.

Any special assessments collected pursuant to this Ordinance may only be used, in whole or in part, for public facilities and services authorized by this Ordinance or for the payment of the principal and interest of bonds, revenue certificates, and other obligations of indebtedness for such public facilities and services.

**ARTICLE VIII. ARTICLE III. SECTION 77-18. Issuance of Bonds and
Other
Indebtedness**

After the adoption of the Ordinance establishing a special assessment district, and approving the levying and collection of the special assessments for public facilities and services as provided by this Ordinance, and as soon as a contract for the public facilities and services has been finally let, the Borough Council may, by resolution or ordinance, authorize the issuance of bonds, revenue certificates, or other indebtedness in an amount not in excess of the aggregate amount of the liens levied for such public facilities and services. Any debt issued against the bond ordinance for the purpose of financing the Sidewalk Program will be repaid, in full (principal and interest), by the special assessment levies and no other general funds of the Borough.

ARTICLE IX. ARTICLE III. SECTION 77-19. Priority of Lien

A special assessment shall be payable at the time and in the manner indicated in the Ordinance providing for the special assessment; shall remain a lien, co-equal with the lien of all state, county, district, and municipal taxes, superior in dignity to all other liens, titles, and claims until paid; shall bear interest, at a rate not to exceed 18% per year. However, the special assessments may be paid without interest at any time within 30 days after the public facility is completed and a resolution accepting the same has been adopted by the Borough.

ARTICLE X.

All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

ARTICLE XI.

This Ordinance shall take effect upon passage and publication according to law.

THE BOROUGH OF MERCHANTVILLE

BY: _____
EDWARD F. BRENNAN MAYOR

ATTEST:

DENISE BROUSE, BOROUGH CLERK

The foregoing ordinance was introduced by Mayor and Council at a meeting held on May 14, 2018. This Ordinance will be considered for adoption on final reading and public hearing to be held on June 11, 2018 at 7:30 p.m in the Council Meeting Room, Merchantville Borough Hall, 1 West Maple Avenue, Merchantville, New Jersey.

The purpose of this Ordinance is to permit the Borough Council to establish special assessment districts throughout the Borough, for the purpose of payment to capital improvements for sidewalks, consistent with the Merchantville Sidewalk Replacement Program, by participating

residents. A copy of this Ordinance is available at no charge to the general public between the hours of 8:30 AM to 4:30 PM, Monday through Thursday (Legal Holidays excluded), and between the hours of 8:30 AM to 12:00 PM on Friday (Legal Holidays excluded), at the Office of the Borough Clerk, Merchantville Borough Hall, 1 West Maple Avenue, Merchantville, New Jersey.