Form E/A-1 (Rev. 8/2015)

# APPLICATION FOR FIVE-YEAR EXEMPTION AND/OR ABATEMENT

Pursuant to N.J.S.A.40A:21-1 et seq.; P.L.1991, c. 441, as amended by P.L. 2007, c. 268
**AND AS AUTHORIZED BY MUNICIPAL ORDINANCE**

Applications **must** be filed with municipal assessors within 30 days (including Saturdays & Sundays) of completion of construction, improvements, conversion, conversion alteration. Late applications will be denied.

COUNTY: _____ MUNICIPALITY: _____

## I. IDENTIFICATION

Applicant Name: _____ Name of Officer (if corporate owner): _____

Phone Number: (___) _____ Email Address: _____

Mailing Address/Corporate Headquarters: _____

City: _____ State: _____ ZIP: _____

Property Location (Street Address): _____

Block: _____ Lot: _____ Qualifier: _____

## II. PROJECT INFORMATION

This Application is for ☐ tax exemption ☐ tax abatement ☐ both.

A. The subject property is a one or two family dwelling upon which claimant has completed:

- ☐ New Construction;
- ☐ Conversion or alteration of a building or structure into a dwelling;
- ☐ Improvement of an existing dwelling. Indicate age of dwelling: _____

B. The subject property is a multiple dwelling, commercial or industrial structure upon which claimant has completed:

- ☐ Construction of a multiple dwelling under a tax agreement;
- ☐ Construction of a commercial or industrial structure under a tax agreement;
- ☐ Improvement to a multiple dwelling;
- ☐ Improvement to a commercial or industrial building or structure;
- ☐ Conversion or alteration of a building or structure to a multiple dwelling.

If increasing the volume of an existing multiple dwelling, commercial or industrial structure, please indicate the percentage of volume increased: _____%

C. Project Details

I. Date of completion of new construction, conversion, or improvement: _____, 20____.

II. Total cost of project: $_____.

III. Brief description of the nature and type of construction, conversion, or improvement.

_____

_____

D. Other Information

1. Were prior five-year exemptions/abatements granted on this property? ☐ No ☐ Yes, amount: $_____
2. Are there delinquent property taxes or nonpayment tax penalties due on the property? ☐ No ☐ Yes
3. Attach all required documentary proofs. (Assessor may require copy of ordinance, copy of executed tax agreement between applicant and municipal governing body, project descriptions, plans, drawings, cost estimates, etc.)

## III. Certification

I certify that the foregoing statements mad by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

_____ _____ _____
Signature Title (If Applicable) Date

**FOR OFFICIAL USE:**

☐ APPROVED ☐ DISAPPROVED _____ _____
Assessor Date

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# GENERAL INFORMATION AND INSTRUCTIONS

1. **Availability:** The Five-Year Exemption and/or Abatement is discretionary on the part of the municipal government. For Exemption/Abatement to apply, there must first be an area in the municipality designated by the local government as "in need of rehabilitation." Then, there must be an enabling ordinance enacted by the local governing body. The ordinance may identify various rehabilitation areas in the municipality, the types of structures and rehabilitation/redevelopment efforts which may be eligible, as well as the availability of exemption or abatement or both.

2. **Filing Deadline:** EA-1 Applications must be filed with the municipal assessor within 30 days (including Saturdays & Sundays) of completion of the construction, improvement, conversion, or conversion alteration. Late applications will be denied. No applications can be filed or take effect unless a valid timely ordinance is in force. Completion means substantially ready for the intended use for which a building/structure is constructed, improved, or converted.

3. **Terms Defined per N.J.S.A. 40A:21-3:**
   Abatement—that portion of a property's assessed value as it existed prior to construction, improvement, conversion of a tax exempted building/structure thereon.
   Exemption—that portion of an assessor's full and true value of any construction, improvement or conversion alteration not increasing the property's taxable value.
   Construction—providing new dwellings, multiple dwellings or commercial/industrial structures. Or enlarging existing multiple dwellings or commercial/industrial structures by more than 30% but not changing the existing use.
   Conversion/Conversion Alteration—altering or renovating a nonresidential building, structure, hotel, motel, motor hotel, or guesthouse to convert it from its previous use to a dwelling/multiple dwelling.
   Improvement—modernizing, rehabilitating, renovating, altering, repairing which produces a physical change in an existing building or structure....but does not change its permitted use. It does not include repairs for fire or other property damage for which insurance payments were received within three years of applying for the Five-Year Exemption/ Abatement. For multiple dwellings, it includes only improvements to common areas or elements or three or more dwelling units ...For multiple dwellings or commercial/industrial structures it does not include ordinary painting, repairs, replacement of maintenance items or the enlargement of an existing structure by more than 30%.
   Dwelling—a building or part of a building used or held for use as a home or residence, including accessory buildings on the premises. Individual condominium and cooperative units and individual residences within a horizontal property regime are also considered dwellings. The "common elements" of a horizontal property regime, cooperative, or condominium, are not considered "dwellings" but are defined as "multiple dwellings."
   Multiple Dwelling—a building or structure fitting the definition of "multiple dwelling" in the "Hotel and Multiple Dwelling Law," (see N.J.S.A. 55:13A-3), and also the "common elements" or "general common elements" of a condominium, a cooperative, or a horizontal property regime.
   Commercial or Industrial Structure—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.

4. **Start Date of Exemption/Abatement:** As amended by P.L.2007, c. 268, Five-Year Tax Exemptions and/or Abatements take effect as of a project's completion date, except for projects subject to tax agreements for which the effective date of exemption/abatement is January 1 of the year following the year the project is completed. **For projects under tax agreements,** Added Assessments are applicable in the interim period between completion and January 1st. **For exemption/abatement projects not under tax agreements,** taxes to be paid are prorated based on an annual period using a property's current year assessed value minus the prorated exemption/abatement amount plus any portion of assessed value of the construction, improvement, or conversion not exempted which is also prorated based on an annual period.

   Annual period—a duration of 365 days, (366 days when February has 29 days), beginning on the date an exemption or abatement for a project becomes effective, i.e., the project's completion date.

5. **Payments in Lieu of Taxes (PILOTS):** PILOTS are the payment mechanism within an exemption/abatement program and are only applied to exempt or abated properties. PILOTS cannot be utilized independently outside of an exemption/ abatement. The Five-Year Exemption/Abatement Law provides three kinds of in lieu payments: cost basis; gross revenue basis; tax phase-in basis. A tax agreement between the applicant and municipal governing body will determine if there is a PILOT for the property and which kind of in lieu payment will be utilized.

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