

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.

ORDINANCE 2015-06

AN ORDINANCE AMENDING CHAPTER 204 OF THE VENTNOR CITY CODE-TAXATION

2. The Board
0/20
3-20-15

BE IT ORDAINED by the Board of Commissioners of the City of Ventnor as follows:

Section I. Section 204-7.1 GUIDELINES AND FEES shall be added as follows:

(A) Following receipt of the Application, the Tax Assessor shall review each application for completeness and prepare a Tax Estimate Worksheet. A copy of the Application and Tax Estimate Worksheet shall be provided City's Business Administrator, Clerk, and Chief Financial Officer, and the City Solicitor.

(B) Within sixty (60) days of receiving the filed Application, the City Business Administrator shall forward a copy of the completed Application and Tax Estimate Worksheet to the governing body.

(C) Fees: The initial fee schedule for the application shall be as follows:

- (1) For New Residential Construction: \$200.00;
- (2) For New Multi Dwelling Construction: \$100.00 per dwelling unit;
- (3) For Commercial, Industrial and Mixed Use Improvements or New Construction: \$500.00.

Section II. All Ordinances or parts of Ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

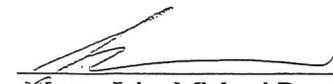
Section III. Should any section, clause, sentence phrase, provision or application of the Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, such a decision shall not affect, impair, or invalidate the remaining portions of this Ordinance.

Section IV. This Ordinance shall take effect on final passage, approval and publication.

FIRST READING: February 19, 2015

PUBLICATION: February 23, 2015

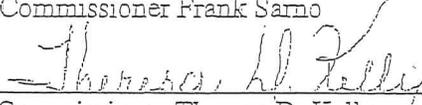
PUBLIC HEARING &
ADOPTION March 19, 2015



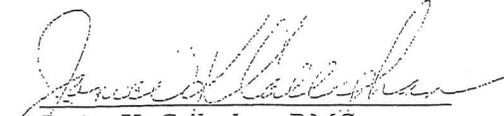
Mayor John Michael Bagnell



Commissioner Frank Sarno



Commissioner Theresa D. Kelly



Janice K. Callaghan, RMC
City Clerk

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 made 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:	
<input type="checkbox"/> APPROVED	<input type="checkbox"/> DISAPPROVED
Assessor: _____	Date: _____

Upon approval, the City will provide an original Tax Exemption Agreement for execution.

TAX EXEMPTION AGREEMENT

THIS AGREEMENT made on this _____ day of _____ between the CITY OF VENTNOR, a Municipal Corporation of the County of Atlantic and State of New Jersey, (hereinafter designated as "CITY"), and _____, whose address is _____, (hereinafter designated as "PROPERTY OWNER"); and

WHEREAS, pursuant to N.J.S.A. 40A:21-1 et seq and Chapter 204 of the Code of the City of Ventnor, the City is authorized to enter into Tax Exemption Agreements with qualified applicants for qualified uses, as defined in said Act and Ordinance, in order to provide gainful employment within the municipality, assist in the economic development of the municipality, maintain and increase the tax base of the municipality, and diversify and expand commerce within the municipality; and

WHEREAS, PROPERTY OWNER owns certain real property within the municipality as identified as Block _____ Lot _____; and

WHEREAS, PROPERTY OWNER has made application (attached hereto as Exhibit "A") for Tax Exemption; and

WHEREAS, the City of Ventnor Commission has reviewed the application and attachments and recommended approval of same; and

WHEREAS, the Township Committee, by Chapter 204 of the Code of the City of Ventnor, has authorized the Mayor and Township Clerk to execute an agreement with PROPERTY OWNER for Tax Exemption, which Ordinance is attached (Exhibit "B").

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration, the parties hereto agree as follows:

1. This agreement shall be governed by the provision of N.J.S.A. 40A:21-1 et seq and Chapter 204 of the Code of the City of Ventnor herein collectively designated

"THE LAW."

2. It is hereby expressly understood and agreed that the CITY relies upon the facts, data and representation contained in the exhibits attached hereto.

3. CITY hereby grants approval for the project as described herein to be enrolled in the Tax Exemption Program under the provision of the "LAW."

4. Taxes on the improvement, shall at all times remain at 100% assessment. Upon approval, the City will provide an original Tax Exemption Agreement for execution.

CHECK ONE

AS TO NEW CONSTRUCTION OF COMMERCIAL STRUCTURES, INDUSTRIAL STRUCTURES AND MULTIPLE DWELLINGS AND IMPROVEMENTS TO EXISTING COMMERCIAL AND INDUSTRIAL STRUCTURES

5. In consideration of the Tax Exemption afforded by this Agreement PROPERTY OWNER shall make payments to the CITY in lieu of full property taxes as follows:

A. The improvement will be taxed as an added assessment from the date of completion until January 1 of the calendar year following completion.

B. In subsequent years following completion, payment in lieu of full taxes shall be due as follows:

1. 1st calendar year following completion - 0% of taxes otherwise due
2. 2nd calendar year following completion - 20% of taxes otherwise due
3. 3rd calendar year following completion - 40% of taxes otherwise due
4. 4th calendar year following completion - 60% of taxes otherwise due
5. 5th calendar year following completion - 80% of taxes otherwise due
6. Thereafter full taxes for the project shall be paid.

AS TO NEW CONSTRUCTION OF RESIDENTIAL DWELLINGS

6. In consideration of the Tax Exemption afforded by this Agreement PROPERTY OWNER shall make payments to the CITY as follows:

A. The improvement will be taxed as an added assessment from the date of completion until January 1 of the calendar year following completion.

B. In subsequent years following completion, payment of taxes on the improvement shall be due as follows:

1. 1st calendar year following completion - 70% of taxes otherwise due
2. 2nd calendar year following completion - 70% of taxes otherwise due
3. 3rd calendar year following completion - 70% of taxes otherwise due
4. 4th calendar year following completion - 70% of taxes otherwise due
5. 5th calendar year following completion - 70% of taxes otherwise due
6. Thereafter full taxes for the project shall be paid.

7. PROPERTY OWNER agrees that all taxes and payments in lieu of taxes made pursuant to the

Agreement shall be made in quarterly installments on those dates when real estate tax payments are due. Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a tax lien will be placed on the land and improvements.

8. It is agreed and understood that when payment due and owing by the PROPERTY OWNER under this agreement is in default for more than 90 days, or the property fails to continue to meet the conditions for qualifying for exemption, then the tax which would have otherwise been payable for each year shall become due and payable from such PROPERTY OWNER as if no exemption had been granted.

9. It is agreed and understood that if PROPERTY OWNER files a tax appeal on any portion of the property referenced in this agreement during the period of this agreement, then the tax which would have otherwise been payable for each year shall become due and payable from such PROPERTY OWNER as if no exemption had been granted.

10. It is agreed and understood that if at any time prior to the termination of the abatement the property owner intends to convey or transfer the property, fails to meet the conditions required for tax exemption, or secures a new tenant, the new owner or tenant must make application to the City Commission for continuance of Tax Exemption. The applicant shall have the obligation to notify the City Clerk immediately upon any of the above events so that a determination may be made regarding continuance of Tax Abatement.

The new owner or "lessee" must complete and file an application for continuance of Tax Exemption, on an approved form, no later than 30 days following the transfer of the lease or sale of the subject premises. Additionally, the new owner or "lessee" must simultaneously supply copies of the contract of sale or lease along with any documents deemed relevant to consideration of the application. Failure to comply with the terms of this paragraph shall result in an automatic termination of the Tax Exemption. Upon approval, the City will provide an original Tax Exemption Agreement for execution.

11. It is agreed and understood that should this agreement or "THE LAW" be declared invalid for any reason by a court of law; any corporate body or any agency of the State of New Jersey, having valid jurisdiction thereof, the full taxes on said property shall be due and owing as if no Tax Exemption was in effect.

12. Anything to the contrary notwithstanding, it is agreed and understood that the Tax Exemption in agreement shall be in effect for a period of not more than five years from the first full qualifying year permitted herein

13. This Agreement shall be binding on the parties hereto, as well as their heirs and assigns as permitted herein.

Property Owner: (Signature) _____

Property Owner: (Print name) _____

(Print Name of President above, if a business) _____

Attest: CITY OF VENTNOR

By: _____

(Print Name)

Upon approval. the City will provide an original Tax Abatement Agreement for execution.

State of New Jersey:

County of Atlantic:

Be it remembered that on this ____ day of _____, 201__, before me, the subscriber, a notary public, personally appeared _____, who I am satisfied is the person who signed the within instrument as an individual and/or President of _____, the corporation named therein and he/she thereupon acknowledged that the said instrument made by the corporation and sealed with its corporate seal, was signed, sealed with the corporate seal and delivered by him/her as such officer and is the voluntary act and deed of the corporation.

State of New Jersey:

County of Atlantic:

Be it remembered that on this ____ day of _____, 201__, before me, the subscriber, a notary public, personally appeared Lisa H. Hand, who, being by me duly sworn on his oath; deposes and makes proof to my satisfaction that she is the Township Clerk of the City of Ventnor, a municipal corporation of the State of New Jersey named in the within instrument; that this action has been duly authorized by the governing body of the Municipality; that deponent well knows the municipal seal of the City and that the seal affixed to said instrument is the proper municipal seal and was thereto affixed and said instrument signed and delivered by a majority vote of the Commission as and for the voluntary act and deed of the municipality, in the presence of deponent, who thereupon subscribed her name thereto as attesting witness.
