



**Application for Partial Tax Exemption
For Abatement of a Derelict Building
(Demolition, Rehabilitation or New Construction)**

A \$50.00 non-refundable processing fee must accompany this application if the applicant seeks partial exemption for demolition of the existing derelict building and replacement with new construction. There is no fee if exemption is sought for demolition only or for rehabilitation of the derelict building. Refer to General Information on page 3 of this application for more information about the options and fees.

Return to: County of Henrico
Real Estate Assessment Division
PO Box 90775
Henrico VA 23273-0775
Phone: 804-501-4300

Type of Partial Exemption

I am requesting an (check one):

- ☐ Abatement for demolition-only of existing derelict building (no fee)
- ☐ Abatement for rehabilitation of existing derelict building (no fee)
- ☐ Abatement for demolition of existing derelict building and construction of new building (\$50 fee)

Ownership and Property Information of Derelict Building

Owner(s) of Real Estate _____
Property Address _____
GPIN _____ VID _____

Property Type and Age of Derelict Building

Property Type (check one) ☐ Multi-Family ☐ Commercial/Industrial ☐ Hotel/Motel ☐ Residential
Year structure was built _____

Rehabilitation Information

Square footage of structure prior to demolition or rehabilitation _____

Square footage of structure after rehabilitation or new construction (or N/A) _____

Building permit number (if available) _____

Provide a summary description of the rehabilitation work to be completed (or N/A) _____

Estimated total demolition cost (if applicable) _____

Estimated total rehabilitation cost (if applicable) _____

Projected completion date _____

Certification

I (we) certify the information within this application is accurate to the best of my (our) knowledge, and that the property will be maintained in compliance with all Henrico County codes during rehabilitation or construction period.

Owner Name (please print) _____

Owner Signature _____ Date _____

Mailing Address _____

Street City State Zip Code

Phone Number _____ Email Address _____

Office Use Only

Control Number _____ Fee Paid ☐ (or N/A) Cash / Check / Money Order Date Received _____



General Information for Partial Tax Exemption For Abatement of a Derelict Building (Demolition, Rehabilitation or New Construction)

Chapter 20, Article 2, Division 3, of the Code of Henrico County provides for partial real estate tax exemption for demolition or renovation of qualifying derelict buildings. As authorized by state law, the Henrico County Board of Supervisors adopted a tax abatement incentive to demolish or rehabilitate these Derelict Buildings in the County. The Building Official will determine whether the building qualifies for a Derelict Building designation. In addition, other exemptions in County Code provide exemptions for the demolition and replacement of structures in the County, depending on their age, use, and size. The Real Estate Assessment Division (Division) of the Department of Finance is the administering agency of the partial tax exemption program. The following is general information:

- ☐ **An application for Partial Tax Exemption of a demolished or rehabilitated Derelict Building should be filed with the Division prior to or simultaneously with making application for a building permit(s) to commence demolition, renovation, or construction.**
- ☐ Upon receipt of an application, a representative from the Division will schedule an inspection of the existing Derelict Building to establish demolition costs or a base value for the program.
- ☐ Derelict Buildings that will be demolished or rehabilitated must conform to the timelines and plans approved by the Building Official.
- ☐ If the Derelict Building is demolished and replaced with a new building, the new building must conform to the guidelines of the partial exemption for rehabilitated structures program (Reinvest). In general, the new building must increase the base value by no less than 40 percent for Commercial/Industrial structures, 50 percent for Multi-Family structures, or 20 percent for Residential structures in order to qualify. Rehabilitation of Multi-Family, Hotel/Motel, and Residential structures shall not increase the original total square footage by more than 100 percent. Commercial/Industrial structures shall not increase the original total square footage by more than 125 percent if the rehabilitated structure is greater than 20,000 square feet. There is no such limitation for Multi-Family structures 40 years and older, exterior-corridor hotels, and Commercial/Industrial structures 20,000 square feet or less after rehabilitation. See Residential or Commercial Reinvest application for complete guidelines.
- ☐ Additionally, Derelict Buildings that will be demolished and replaced with a new building must be completed three years from the date the structure base value is established. If the new construction has not increased the base value of the structure by at least 40 percent for Commercial/Industrial structures, 50 percent for Multi-Family structures, or 20 percent for Residential structures, a new application may be filed prior to the expiration date, and a revised base value established. In no event, however, shall there be more than two additional applications following the initial application on any structure. An exception will be made where a Multi-Family rehabilitation project encompasses at least 50 contiguous acres on which demolition of all structures takes place within one year of the initial application, therefore a total of six additional applications following the initial application may be filed. Under no circumstances shall any new base value be less than the original base value.
- ☐ An owner may, prior to November 1 of any calendar year in which the demolition, rehabilitation, or new construction is underway, submit a written request to the Division to inspect the demolition or structure to determine if it qualifies for exemption. If the qualifications have been met, the exemption will become effective beginning January 1 of the following year.
- ☐ The owner of property qualifying for partial exemption of real estate taxes due to rehabilitation or new construction of a structure shall be issued a credit memorandum for the difference in taxes computed upon the base value and the increased assessed value resulting from the rehabilitation for a seven-year period*. Additional increases in assessed value during subsequent years of the seven-year period* shall not be eligible for partial tax relief. Decreases in assessed value during subsequent years of the seven-year period* may reduce the partial exemption amount.
- ☐ The owner of property qualifying for partial exemption of real estate taxes due to demolition-only of a Derelict Building shall be issued a credit memorandum for the cost of the demolition for a seven-year period*, provided cost is in line with currently recognized demolition costs in the market. The owner shall provide evidence of cost from a demolition contractor.
- ☐ In determining the base value of a structure and whether the rehabilitation results in a 40 percent increase for Commercial/Industrial structures, a 50 percent increase for Multi-Family structures, or a 20 percent increase for Residential structures over such base value, the Division shall employ accepted and customary assessment methodology.

*Fifteen-year period for exterior-corridor hotels.