Petroleum Underground Storage Tank (PUST) Program
NON-LEAKING RESIDENTIAL UNDERGROUND STORAGE TANK
"FREQUENTLY ASKED QUESTIONS"

Effective August 2, 2006, *the PUST Fund provided funding to eligible applicants to help finance eligible project costs for the closure/removal/replacement of a non-leaking residential underground storage tank ("UST). This is not mandatory and strictly voluntary for New Jersey property owners (including business and not-for-profit organizations). Listed below are frequently asked questions and responses.* ***Please take the time and read through the entire package. We are confident that your questions will be answered within this package.***

Am I an eligible applicant?

* Applicants with a non-leaking residential UST **(owner must own the tank or operator must be responsible for the tank at time application is made with the NJEDA and not have received prior funding from the Program for said tank)** are eligible for funding for closure/removal and closure/removal/replacement of the UST. **If you are in the process of selling the project site, please make sure an application is submitted to the NJEDA, even if the application is incomplete, prior to the date of sale to avoid denial of funding.** If you are a business or not for profit, the tank must have and will heat a residential building.
* UST removal and UST/AST installation must have been performed on or after August 2, 2006.
* Applicants with a **leaking** residential UST are also eligible for closure/removal, upgrade and/or remediation, but need to make application first with the New Jersey Department of Environmental Protection ("NJDEP") at www.nj.gov/dep/srp.

If I am an eligible applicant, what should I do next?

For applicants with a non-leaking residential UST, **the contractor and the firm closing/removing the residential UST needs to be certified by the NJDEP as a certified contractor and complete/sign the Authority Certification form citing the tank is non-leaking.** A link to the NJDEP website for the list of NJDEP certified contractors can be found on the NJEDA website, www.njeda.com. (If the UST is being replaced with an above ground storage tank ("AST"), the contractor installing the AST does not need to be NJDEP certified.) **If the UST firm certifying the tank is not leaking is not a NJDEP Certified Contractor listed on the NJDEP's website, then no funding can be awarded for the closure/removal/replacement of the tank, even if it is with an AST.**

When should I submit an application?

An application needs to be submitted once the work has been completed, as long as it has been completed after August 2, 2006. This is a **reimbursement** program. If arrangements cannot be made with the contractor that they complete the work and wait for payment from the program, you will need to pay for the work and receive a reimbursement from the program, if deemed eligible.

What are the limits of funding available from the PUST Fund?

Funding up to $1,200 may be awarded for the closure/removal of a non-leaking residential UST. The balance of the funding up to $3,000 may be awarded for the replacement of a non-leaking residential UST. Tanks should be replaced with an AST whenever possible or an UST if an AST is not feasible. The applicant is responsible for costs above these limits to close/remove and close/remove/replace a non-leaking residential UST.

What will the NJEDA require to determine which type of funding can be awarded?

In order to determine the type of award, the following items will need to be included with the application:

(1) Last 3 years Federal Income Tax Returns of the applicant (persons with 10% or more ownership)
(2) Completed Personal Financial Statement of the applicant (which can be found on the NJEDA website) (persons with 10% or more ownership)
(3) If Applicant is a Business, in addition to the above, last 3 years Business Federal Income Tax Returns
(4) If Not for Profit 501(c)(3), a tax exempt certificate, the 501(c)(3) IRS designation letter and a Certification that the organization employs no more than 100 paid employees

How can I qualify for a grant award?

In order to qualify for a conditional hardship grant, applicants must meet the following criteria:

(1) An annual taxable income of not more than $250,000; and
(2) Net worth, exclusive of applicant's primary residence and pensions (401K, IRAs), of not more than $500,000; and
(3) A determination of financial hardship which will be based on whether an applicant can reasonably be expected to repay, if the funding were to be awarded as a loan.
(3a) A determination of financial hardship with an Estate as the applicant....Liabilities must exceed its Assets including primary residence and pension plans, retirement, IRAs.

*A grant worksheet to help homeowners determine grant eligibility can be found on the NJEDA's website. This is not part of a completed application, but can assist in making a determination of whether to apply to the Program.

If you are not eligible for a grant, a loan can be offered from the Program, but with minimum loan costs amounting to an additional $1,000, it may not be feasible and a lien will be placed on the project site.

Will there be a lien placed on my property?

If a grant is awarded to an applicant and the project site is the applicant's residence, a lien will **not** be placed on the project site.

If a grant is awarded to an applicant and the project site is **not** the applicant's residence, a lien will be placed on the project site in the amount of the entire grant for 5 years and must be repaid upon sale of the project site. The amount of the grant to be repaid is reduced by 25% each year starting at year 2. **If the project site is not the applicant's residence, please complete the Financial Assistance Agreement designated for a lien placement and include a copy of the deed.**

If a loan is awarded, a lien will be placed on the property until the property is sold or the loan is repaid, whichever comes first.

How long will it take to receive a check?

Once a completed application is received by the NJEDA and deemed eligible for a grant, a disbursement will be issued in 4-6 weeks. If the applicant paid for the work (canceled checks or paid invoices must be provided), a one-party check will be issued. If all or some of the work has not been paid for by the applicant, then that portion of the grant will be disbursed in a two-party check, made payable to the applicant and the respective contractor. If you would like an update on the status of the disbursement and your project has been approved, please contact the Customer Service Administrator in Portfolio Services at 1-609-777-4893.

What do you consider a completed application?

Individual (Homeowner/Residential) Applicants

1)Application
2) $250 non-refundable application fee made payable to NJEDA
3) Invoices from Contractors-removal & replacement costs separated
4) Paid invoices and/or canceled checks, if applicable
5) Contractor Certification Form by DEP Certified UST Firm
6) Financial Assistance Agreement (**w/lien** - if project site is not applicant's residence or **w/out lien** - if project site is applicant's residence)
7) Copy of the Deed (if project site is not applicant's residence)
8) Signed Page #2 of the Frequently Asked Questions
9) Personal Financial Statement
10) Last 3 years Personal Federal Income Tax Returns (full sets)
11) If the project site is tenant occupied, complete and submit an application to the Division of Taxation for a Tax Clearance

Business & Not for Profit Applicants

1) Application
2) $500 non-refundable application fee made payable to NJEDA
3) Invoices from Contractors-removal & replacement costs separated
4) Paid invoices and/or canceled checks, if applicable
5) Contractor Certification Form by DEP Certified UST Firm
6) Finance Assistance Agreement (w/lien)
7) Copy of the Deed
8) Signed Page #2 of the Frequently Asked Questions
9) 501(c)(3) Not-For-Profit - include 501(c)(3) IRS Designation Letter; tax exempt certificate and certification that they employ no more than 100 paid employees
10) Business or Not-For-Profit (not 501(c)(3)) include last 3 years Business Federal Income Tax Returns or Balance Sheet and Profit & Loss Statements & Personal Federal Income Tax Returns and Personal Financial Statement (for persons w/10% or more ownership)
11) If the applicant is a business or a not-for-profit with one or more paid employee, an Application for Tax Clearance must be completed and submitted to the Division of Taxation.

Why do I have to submit an Application for Tax Clearance to the Division of Taxation ("Taxation")?

If you are a business, not-for-profit with one paid employee or if the project site is a tenant occupied dwelling, the State is requiring a Tax Clearance Certificate in advance of any award of grants or loans of State monies. If this pertains to you, this application will not be considered complete until Taxation provides this Certificate. Unless you are in the process of selling the project site (since ownership of the project site is required at NJEDA application), we suggest that you wait until you receive the Certificate from Taxation to submit your application to the NJEDA. The Certificate will only be good for 3 months and has to be in effect at time of approval at the NJEDA. Therefore, careful planning is required on the part of the applicant. If the Certificate expires, a request to Taxation for an updated Certificate will be needed. Any questions, please call Taxation at 609-292-6400.

How should I get started with this process?

The first step .....complete the grant worksheet found on our website (www.njeda.com) to see if you would qualify for grant funding. Next.... make sure that the contractor closing/removing and certifying the tank is non-leaking is on the NJDEP's list of certified contractors (the link can be found on our website). Next....have the work completed. ***If the applicant is a business, a not-for-profit with one or more paid employee or if the project site is tenant occupied, an application for Tax Clearance must be completed and submitted to the Division of Taxation.*** Finally...forward a completed application package to the NJEDA for review.

What if I still have questions?

Please contact the NJEDA Customer Support Administrator at 1-609-777-4898 or you may email tanks@njeda.com for a quicker response. It is suggested that you read through the entire package and complete as much as possible prior to making your phone call, creating a list of questions. As you complete the package, you may be able to answer these questions. The Customer Support Administrator can expedite the process quicker answering a list of questions, rather than multiple phone calls with one question at a time.

Applicant: _____ **Date:** _____

Co-Applicant: _____ **Date:** _____

For more information you can see the New Jersey Economic Development Authority website at

www.njeda.com/web/default.aspx

Click on Applications at the top right

Click on Underground Storage Tank Funding Programs

Or contact the EDA Customer Support Administrator at phone 866-534-7789,
email at Tanks@njeda.com.

Information dated 01/09

Grant Worksheet

The following worksheet can assist a homeowner in determining his/her eligibility for a grant from the Petroleum Underground Storage Tank Program. It is not a part of the application package and is not mandatory to complete. Please utilize last year's Federal Income Tax Return in answering the following questions.

1) **Taxable Income** - must be no more than $250,000 to be eligible for a grant _____

* Can be found between lines 40-45 on your Federal Income Tax Return (Form 1040)

2) **Net Worth** - must be not more than $500,000 to be eligible for a grant - excluding your primary residence and pension plans (includes dedicated retirement plans, 401K, IRAs). Exclude primary residence and pensions as an Asset and exclude the mortgage debt and pensions debt as a Liability.

Assets:

Cash/Money Markets/CD/checking	_____	
Stocks/Bonds/Annuities	_____	
Investment Property(s) (Market Value)	_____	
Partnerships/Business Investment	_____	
Life Insurance (Cash Value)	_____	
Other assets (not primary residence)	_____	
Total Assets		$0 _____

Liabilities:

Installment debt balance	_____	
Credit card debt balance	_____	
Notes payable debt balance	_____	
Unpaid tax liability(s)	_____	
Partnership/Business liability	_____	
Other Liabilities (not primary mortgage debt)	_____	
Total liabilities		$0 _____

Net Worth (Assets minus Liabilities) $0 _____

3) **Financial Hardship Test**

Taxable Income _____

Annual Expenses:

Living expenses (20% of taxable income)	_____	
Mortgage debt (monthly payment x 12)	_____	
Real Estate Taxes (if not paid in mortgage payment)	_____	
Homeowners Insurance (if not paid in mortgage pmt)	_____	
Auto/Life/Disability Insurance premium(s)	_____	
Medical expenses (including premium)	_____	
Tuition/Day Care	_____	
Retirement (annual contribution)	_____	
Installment Debt (monthly payment x 12)	_____	
Revolving Credit Card Debt (total monthly payment(s) x 12)	_____	
Alimony/Child Support	_____	
Proposed debt of non leaking tank	_____	
Total Expenses		$0 _____

Determine Financial Hardship - (annual expenses divided by taxable income) 0% _____ **

**in order to qualify for a 100% grant, 51% or higher must be achieved.

***If an Executor/Executrix is applying on behalf of an Estate, criteria #3 (financial hardship) is satisfied if the Liabilities of the Estate exceed its Assets (including primary residence and pensions, retirement plans, 401k, IRA)*

Upon receipt of the application fee and requested documents in a form deemed complete by the NJEDA, The NJEDA will perform a financial review to determine eligibility. Completing this worksheet does not guarantee the award of a loan and/or grant.