

Town of Monroe



COMMERCIAL TAX ABATEMENT ORDINANCE

November 2008

Section 1: PURPOSE

In an effort to attract, retain and expand businesses, the Town of Monroe has adopted this tax incentive policy in accordance with Connecticut General Statutes (12-65b). This policy establishes a tax incentive program for the Town and allows the Town to enter into written agreements with the owners and/or lessees of certain real and/or personal property located within the Town of Monroe in order to fix tax assessments of real and/or personal property in the manner set forth by this policy.

Section 2: ELIGIBILITY

- A. In accordance with the provisions of CGS 12-65b the Town Council may enter into written tax agreements with owners and/or lessees of real and/or personal property.
- B. Only legally existing uses, businesses relocating to the Town, new business development and business expansion in a Commercial or Industrial zone for such purposes by the Planning and Zoning Commission are eligible to participate in a tax incentive program under this policy. Home occupations (as defined by the Monroe Zoning Regulations), and all other land uses are not eligible to participate in a tax incentive program under this policy.
- C. Application for tax abatement must be made within six (6) months of receipt of Town of Monroe certificate of occupancy or use of building.
- D. Consideration may be given to those applicants who incorporate environmentally friendly ("Green") improvements.
- E. Any applicant who is delinquent in any taxes, interest or liens that are due to the Town shall be ineligible to enter into any such tax agreement under this policy until such delinquencies or liens are remedied.

Section 3: ABATEMENT SCHEDULE

The Town Council may enter into a tax agreement with any party owning or proposing to acquire an interest in real and/or personal property in the Town of Monroe fixing the assessment of the real and/or personal property which is the subject of the Agreement and all improvements thereon or therein and to be constructed thereon or therein, subject to the cost of the project improvements exceeding the following thresholds:

Tax Abatement Schedule under CGS 12-65b

Cost of Improvements	Abatement	Term
\$10 Million+	Up to 50% of Increased Assessment	Up to 7 years
\$5 Million+	Up to 30% of Increased Assessment	Up to 7 years
\$3 Million+	Up to 20% of Increased Assessment	5 to 7 years
\$500,000+	Up to 30% of Increased Assessment	Up to 3 years
\$100,000+	Up to 20% of Increased Assessment	Up to 3 years
\$25,000+	Up to 50% of Increased Assessment	Up to 3 years

This table lists the minimum value of an improvement that qualifies a project for abatement, the maximum abatement amount and the maximum abatement period. The Town Council shall determine the specific abatement for each project based upon the benefits to the Town.

Section 4: GENERAL REQUIREMENTS

- A. The Town Council may enter into a tax agreement under this policy only if the agreement will:
 - 1. Cause a business to locate in the Town, or
 - 2. Cause a business to replace, construct, expand or remodel existing buildings, or
 - 3. Cause a business to construct new buildings, or
 - 4. Cause an increase in employment opportunities, or
 - 5. Preserve existing employment opportunities.
- B. If the applicant is a tenant or if an owner is applying on behalf of a tenant, tax benefits shall be reflected in the lease and shall be so demonstrated to the Town.

Section 5: APPLICATION PROCEDURE

Any eligible owner and/or lessee may apply under this policy in writing to the Economic Development Coordinator on application forms provided by the Economic Development Office. The applicant shall provide all required information in sufficient detail to allow the Town to determine costs and benefits associated with the implementation of a requested tax agreement.

- A. Upon receipt of the completed application the Economic Development Coordinator shall refer the application to the Tax Incentive Program Review Committee members as follows: The First Selectman, Finance Director, Assessor, Economic Development Commission designee. Each application shall be reviewed for appropriateness. After thorough review and within thirty (30)

days of receipt of the application, the recommendation, along with a written analysis, shall be referred to the Town Council and its Legislative and Administrative Committee.

- B.** The Town Council, in its sole discretion and after having held at least one public hearing, shall approve, approve with modifications or conditions or deny the application within 60 days from the date of the first regularly scheduled meeting at which the referral appears on the Council's agenda. Granting of the tax abatement shall be subject to a majority vote of the Town Council. The Council's decision shall be based upon the Connecticut General Statutes, the information provided in the application package and the recommendation from the Tax Incentive Program Review Committee.

Section 6: AGREEMENT

- A.** Pursuant to the Council's decision the Town will enter into a written agreement with the owner or lessee of real and/or personal property, fixing the assessment of the real and/or personal property for the terms of the agreement.
- B.** After approval of any such tax agreement, construction or acquisition shall commence within twelve (12) months and shall be completed within twenty-four (24) months unless the projected time frame to complete the project is stated to be more than 24 months at the time of application. In the event that construction is not commenced and/or completed within the specified time frame, then any agreement entered into pursuant to this policy shall immediately terminate and the full amount of the tax (including accrued interest) that would otherwise be due shall immediately become due and payable, unless alternative arrangements are authorized by the Town Council.
- C.** If an applicant fails to comply with the payment of taxes upon the due date required, then any agreement entered into pursuant to this program shall immediately terminate and the full amount of the tax including accrued interest that would otherwise be due shall immediately become due and payable.
- D.** Any person or firm in violation of any Town of Monroe permit is subject to termination of abatement.
- E.** All agreements shall contain a provision that any applicant granted a tax abatement shall repay the Town of Monroe the dollar amount abated, plus interest, if the business leaves Monroe before the time taxes are abated.
- F.** Any tax assessed and levied upon motor vehicles shall not be subject to any such agreement pursuant to this program and shall remain due and owing.

Section 7: TRANSFERABILITY

Any tax agreement entered into pursuant to this policy shall not be subject to assignment, transfer or sale.

Section 8: TOWN COUNCIL AUTHORITY

Nothing in this policy shall require the Town Council to enter into a tax agreement.

Any changes to the Town of Monroe Tax Abatement application are subject to Town Council approval.

Section 9: *This policy shall not be retroactive.*