

Town of Clinton Tax Incentive Policy

Purpose

The Town of Clinton, Connecticut hereby adopts the following Tax Incentive Policy in accordance with Connecticut General Statutes Sections 12-65b and 12-65h as a tool to encourage economic growth. Upon approval by the legislative body, the Town may enter into one or more specific fixed tax assessment agreements with a taxpayer. All qualified projects under this program must be compliant with all other policies and laws of the Town of Clinton, the State of Connecticut, and the federal government.

Qualified Real Property Projects

Qualified projects must involve real property improvements that increase the assessed value of property being used for at least one of the following:

1. Office use;
2. Manufacturing use
3. Information technology use
4. Recreation facilities
5. New retail developments including restaurants or substantial renovations to existing retail properties
6. Mixed use development (a development containing one or more multifamily or single-family dwelling units and one or more commercial, public, institutional, retail, office or industrial uses)
7. Use by or on behalf of a health system (i.e., (A) a parent corporation of one or more hospitals and any entity affiliated with such parent corporation through ownership, governance, membership or other means, or (B) a hospital and any entity affiliated with such hospital through ownership, governance, membership or other means).

In no case will the agreement between the Town and the taxpayer be greater in value or longer in duration than shown in the table below.

Chart of Real Property Project Eligibility

<u>Assessment of Improvements</u>	<u>Max Years eligible</u>	<u>Max % of Assessment fixed</u>
\$3 million or more	5 years	100 %
\$500,00 or more	3 years	100 %
\$25,000 or more	2 years	50 %

Qualified Personal Property Projects

Qualified projects must involve personal property of an owner or lessee of real property upon which is located or proposed to be located:

- A manufacturing facility, as defined in subsection 72 of CGS § 12-81, or
- A wholesale and retail business, as defined in subsection 54 of CGS § 12-81.

The following Tax Incentive Policy schedule applies to personal property investments made in qualified projects. In no case will the agreement between the Town and the taxpayer be greater in value or longer in duration than shown in the following table below.

Chart of Personal Property Project Eligibility

<u>Increase in Assessed Value of Personal Property</u>	<u>Max Years eligible</u>	<u>Max % of Increased Value of Personal Property</u>
\$3 Million or more	5 years	100 %
\$500,000 or more	2 years	100 %
\$25,000 or more	3 years	50 %

Approval Process

To obtain a fixed tax assessment, the taxpayer must submit an application on a Town provided form to the Town of Clinton Economic Development Commission ("CEDC"). The CEDC will then forward the application to the legislative body with or without a recommendation of fixed tax assessment. The applicant, business or any affiliates of the applicant must not be delinquent in any tax (real, personal or motor vehicle) or charges (fees, etc.) due to the Town. Applicant cannot owe back taxes on subject property or any other property within the Town in which the applicant has a legal or equitable interest, all of which interest shall be disclosed in any application. If recommended the report will include amount and terms of fixed tax assessment. The legislative body may provide preliminary approval of the application based on what is contained therein. Final approval and agreement execution will occur after the applicant submits any documentation evidencing statements in the application requested by the CEDC or the legislative body.

Terms of the Agreement

The terms of the Tax Incentive Policy will be outlined by the legislative body in a memo to the Town attorney for drafting. The agreement will include the following provisions:

The Tax Incentive Policy shall contain a project construction timeline. If the project is not completed within the timeline, the legislative body will have sole discretion as to whether to :(a) extend the time to complete the project, or (b) cancel the fixed tax assessment agreement.

Reapplications for the same project are prohibited, and reapplication for the same property are prohibited within two years of a prior application.

In the event the conditions of the original agreement are not met over the period of the fixed tax assessment, then all previously exempt taxes will be due and payable.

If ownership of the property to which the fixed tax assessment applies is transferred prior to the expiration of the fixed tax assessment term, the legislative body will have sole discretion as to whether the fixed tax assessment will transfer to the new owner.

In addition to the granting of a fixed tax assessment in accordance with this program, the Town may consider, on a case-by-case basis, other financial development incentives.

The Town of Clinton has full discretion in providing incentives and has no obligation to provide one. Moreover, its fixed tax assessment program shall not be applied retroactive to the effective date of this policy.