

**TOWN OF HARWINTON**  
**ORDINANCE ESTABLISHING THE HARWINTON TAX INCENTIVE PROGRAM**

**Section 1. Authorization**

The Harwinton Tax Incentive Program is established pursuant to Connecticut General Statutes, Sections 12-65b and 12-65h, as may be amended, and shall be administered by the Board of Selectmen in cooperation with the Economic Development Commission, the Board of Finance, the Planning Commission, Zoning Commission, Assessor and Tax Collector.

**Section 2. Statement of Purpose**

The purposes of the Harwinton Tax Incentive Program (the "Program") are to attract, retain and expand qualified businesses primarily to encourage development of existing commercial zones and structures, to create employment opportunities, and to promote responsible economic growth to ensure Harwinton's future as a desirable community in which to live and work.

**Section 3. Eligibility**

A. The Town of Harwinton may enter into written tax agreements with the owners of real property adjusting the assessments of real property improvements to be dedicated and used for any or all of the following purposes:

1. Manufacturing, including research and development facilities;
2. Retail, wholesale, warehouse and distribution facilities;
3. Information technology facilities;
4. Recreation, including sports and tourism facilities;
5. Office and business facilities;
6. Commercial properties in need of rehabilitation; and
7. Applicable business equipment.

B. Only legally existing uses and facilities or facilities approved for such uses by the Zoning Commission are eligible to participate in the Program. Home occupations, most residential uses, and other uses which do not fall within the above categories are not eligible to be considered for the Program.

**Section 4. Tax Incentive Schedule**

The Board of Selectmen may enter into a tax agreement with any party owning or leasing real property in the Town of Harwinton, adjusting the assessment of the real property, which is the subject of the agreement, and all improvements thereon or therein, subject to any of the following limitations:

**Real Property Tax Incentive Options**

Cost of construction and/or renovations	Number of Years	% of Assessment
More than \$3,000,000	Up to 7	Up to 100%
\$500,000 to \$3,000,000	Up to 2	Up to 100%
\$25,000 to \$499,999	Up to 3	Up to 50%

This table lists the minimum value of an improvement that qualifies a project for an assessment reduction, the maximum assessment reduction amount, and the maximum assessment reduction period. The Board of Selectmen shall determine the specific assessment reduction for each project based on the benefits and tax cost to the Town. The final valuation shall be determined by the Town of Harwinton Assessor. The maximum assessment reduction allowed for business personal property or manufacturing equipment is limited to \$25,000 to \$499,990, up to 50%, for a period of up to three (3) years, which shall not be combined with any other tax exemption from the state or town.

**Section 5. Application**

A. Any eligible owner or lessee may apply under the Program in writing to the Economic Development Commission by filing the "Application for Tax Assessment Reduction under the Tax Incentive Policy." The applicant shall provide all required information in sufficient detail to allow the Economic Development Commission to determine costs and benefits associated with the implementation of the requested tax agreement. Personal or confidential financial information shall be submitted on a "Confidential Addendum" which, together with tax returns, financial statements, trade secrets or other proprietary information shall not be subject to public inspection or disclosure under the "Freedom of Information Act," Connecticut General Statutes, Section 1-200, *et seq.*

B. On the recommendation of the Economic Development Commission, the Board of Selectmen may enter into a tax agreement under this policy only if the proposed agreement will:

1. Cause a business to locate in Harwinton;
2. Cause a business to replace, expand or remodel existing buildings; or
3. Cause a business to construct new buildings; or
4. Cause an increase in or preserve existing employment opportunities; or
5. Cause a substantial investment in new equipment or other personal property subject to taxation; or
6. Cause a business to utilize a distressed or abandoned property; or
7. Cause a property owner to make a significant rehabilitation investment within the existing commercial zones, or provide a product, need or service to the local community; or
8. Improve or renovate historic structures.

C. In addition to the foregoing, the Board of Selectmen may consider the following factors:

1. Compatibility of the proposed project with the Town's resources, infrastructure, including roads and utilities, and
2. The proposed project developer's/owner's business, zoning, safety and environmental "track record."

D. Within the uses specified in Section 3, priority will be given to those applications which are in or propose to locate in existing commercial properties shown on the Harwinton zoning map and/or which propose to use or rehabilitate existing commercial and industrial buildings.

E. If the applicant is a lessee, or if an owner is applying on behalf of a lessee, the tax benefits shall accrue to the benefit of the lessee and shall be reflected in a recorded lease with a term equal to, or greater than, the period for which benefits shall accrue, as demonstrated to the satisfaction of the Board of Selectmen.

## **Section 6. Procedure**

A. The Economic Development Commission, with the advice of the Assessor, the Planning Commission and the Zoning Commission, shall review and evaluate each tax incentive application and shall refer the application with its analysis and recommendation to the Board of Selectmen. The Board of Selectmen and the Board of Finance shall review the application and may approve, reject or modify the application; provided, however, any application which results in a tax assessment reduction of twenty thousand dollars (\$20,000.00) or more in any one list year shall be approved by a Town meeting.

B. The approval of any application shall be contingent on execution of a tax agreement between the owner and the Town to complete, occupy and use the improvements as set forth in the owner's application, to pay all municipal taxes, permit and sewer fees, if applicable, assessed against the property, and to comply with the requirements of the Harwinton Tax Incentive Program. The Board of Selectmen may modify, amend or waive the terms of the agreement in keeping with the intent and purpose of the program and in the best interest of the Town of Harwinton.

C. There is no right of appeal under this Ordinance. Furthermore, a property owner may not appeal the assessment of the property under Connecticut General Statutes, Sections 12-117a or 12-119 while a tax agreement is in effect with respect to that property.

## **Section 7. Conditions of Approval**

A. After approval and signing of any such tax agreement, improvements shall commence within twelve (12) months of signing of the tax agreement and shall be completed within twenty-four (24) months. In the event that improvements are 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 become immediately due and payable, unless alternative arrangements are authorized in writing by the Board of Selectmen.

B. If an applicant fails to comply with the payment of taxes on the due date determined by the Board of Selectmen, 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 become immediately due and payable.

C. Any person or firm who is delinquent in any taxes, sewer usage fees and/or permit fees due the Town of Harwinton or the State of Connecticut at the time of application shall be ineligible to enter into any such tax agreement under this policy.

D. No zoning, wetland, sewer, building or fire code violations shall exist with respect to the subject property.

E. Any tax assessed and levied upon motor vehicles shall not be subject to any such agreement pursuant to this policy.

F. The applicant agrees to maintain and make available upon request to the Assessor supporting documentation, including, but not limited to, income tax returns, business records, invoices, bills of sale, and construction contracts or contractor's estimates and plans pertaining to the improvements for which the applicant is claiming exempt status.

#### **Section 8. Tax Assessment Agreement**

A. Any tax agreement entered into pursuant to this policy shall not be subject to assignment or transfer without the prior consent of the Board of Selectmen. In the event that any such agreement is assigned or transferred without the written consent of the Board of Selectmen, the agreement shall terminate as of the effective date of assignment or transfer, and the full amount of the tax that would otherwise be due to the Town of Harwinton shall become immediately due and payable.

B. Any tax agreement entered into pursuant to this policy involving real estate shall be recorded in the Harwinton land records and shall constitute a priority lien against the property benefitted until the conditions of the tax agreement have been fulfilled and the agreement has expired. Upon default under the terms of the agreement, or material misrepresentation in the application, the taxes abated shall become immediately due and payable, with interest as provided by law, and may be liened, and the lien may be foreclosed, in the same manner as provided by law for tax property liens generally.

C. Any tax agreement will commence as of its effective date for the grand list years for which the assessment reduction is granted.

D. Any tax agreement involving fixtures or equipment shall constitute a security interest in the fixtures or equipment under Article 9 of the Uniform Commercial Code and be filed with the Connecticut Secretary of the State on Form UCC-1.

E. The applicant shall pay a \$500 application fee to the Board of Selectmen to cover the legal cost of preparing the tax agreement, calling a town meeting and recording the agreement in

the Harwinton Land Records or of filing a Form UCC 1 with the Connecticut Secretary of the State.

### **Section 9. Miscellaneous**

A. Nothing in this policy shall require the Town of Harwinton to enter into a tax agreement. The final decision as to any tax agreement is at the sole discretion of the Town of Harwinton.

B. The Board of Selectmen may terminate a tax agreement granted hereunder in the event a fraud or misrepresentation by an applicant regarding any statements or representations contained in the application, addendum, or any supporting documentation, and shall be authorized to recover all taxes and accrued interest by liens against the property, tax sale or a tax warrant against the owner or lessee, who signed the tax agreement. In such event, the Town of Harwinton shall be authorized to recover its attorney's fees and costs of collection as provided by law for the collection of property taxes.

C. A tax agreement shall expire and terminate as provided herein or as set forth in the agreement.

D. The Economic Development Commission is authorized to develop the application, addendum, agreement, promotional and program materials, and to develop policy regulations and guidelines, subject to approval by the Board of Selectmen.

### **Section 10. Effective Date**

This ordinance shall take effect fifteen (15) days after the publication of a summary of its provisions in a newspaper having a general circulation in the Town of Harwinton pursuant to Connecticut General Statutes, Section 7-157(b).

ADOPTED AT TOWN MEETING ON: February 24, 2015

PUBLISHED: February 26, 2015

EFFECTIVE DATE: March 13, 2015

HARWINTON TOWN RECORDS: VOLUME 8, PAGES 158-162

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