

Tax Stabilization Policy

Purpose:

The Select Board, as authorized by 24 VSA Section 2741, and by the Voters of the Town of Fair Haven on March 1, 1994, may enter into a tax stabilization contract with owner(s) of properties to promote maintenance, growth and development that advances the Town's goals and priorities, including: creating jobs, infrastructure improvements and expanding the Fair Haven Grand List.

Eligibility:

Any for-profit or non-profit corporation, partnership, cooperative, or proprietorship existing, locating or expanding a commercial or industrial building, or residential homeowner for business or apartments in the Town of Fair Haven may be eligible for tax stabilization.

Tax stabilization must be approved by the Select Board by December 31 for the applicant to receive tax stabilization the subsequent tax year after the improvements is completed.

Tax stabilization awards shall be made consistent with provisions of 24 VSA Section 2741 and shall be only for the municipal portion of the property tax. Applicants seeking tax stabilization for education property taxes must apply through the Vermont Economic Progress Council.

Tax Stabilization:

Commercial and industrial buildings/sites, and residential homeowners' business or apartments eligible for tax stabilization shall be assessed municipal taxes according to terms defined by the Selectboard.

Commercial & Industrial:

New Commercial and Industrial building(s) shall have 50% tax stabilization for five (5) years.

Improvements to a commercial and industrial building(s) / site greater than ten (10) percent of the current assessed value of the real property within a twelve (12) month period after tax stabilization approved by the town Select Board, shall be eligible for **50%** tax stabilization for five (5) years.

Year 1: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 2: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 3: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 4: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 5: Taxed at **50%** of the new portion of the assessed value of the real property.

Residential:

New Residential Business or Apartments shall have tax stabilization for three (3) years.

Improvements to a residential site home business or apartments greater than ten (10) percent of the current assessed value of the real property within a twelve (12) month period after tax stabilization approved by the town Select Board, shall be eligible for **50%** tax stabilization for three (3) years.

Year 1: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 2: Taxed at **50%** of the new portion of the assessed value of the real property.

Year 3: Taxed at **50%** of the new portion of the assessed value of the real property.

Any work performed prior to tax stabilization approved by the Select Board shall not be counted towards the required (10) percent investment of the current assessed value of the real property.

Approval:

The applicant shall submit a letter of interest and Fair Haven Tax Stabilization Application, (see attached) to the Town Manager, prior to the start of the construction on the project and/or issuance of a zoning permit. The letter of interest must include project location and estimated project cost.

The Select Board shall be responsible for approving tax stabilization. All projects shall be required to obtain all applicable federal, state, and local permits.

If the applicant meets the conditions outlined in the tax stabilization agreement, tax stabilization shall commence at the beginning of the subsequent year. (see example Tax Stabilization Agreement attached)

No tax stabilization agreement shall exceed **five (5)** years for commercial & industrial and **three (3)** years for residential.

Any agreement authorized by the Selectboard shall be filed with the Town Clerk and shall be available for public inspection.

Definitions:

Assessed Value: the value of real property established in the Town of Fair Haven Official Grand List as of the tax stabilization approval.

Commercial Real Property: is broadly defined as property used for buying, selling and exchange of goods and commodities or the provision of services. Examples of commercial uses include, but not limited to retail stores, warehousing, wholesale, restaurants, and offices and apartments.

Industrial Real Property: is broadly defined as property used for the manufacturing (production or processing of goods and commodities.

Residential Real Property: is broadly defined as property used for a taxpayer home business or rented apartments in their primary residence's.

Approved by the Fair Haven Select Board


Date: 10-19-2021



Chris Cole - Chair



Jeff Sheldon - Clerk



Glen Traverse



Rod Holzworth



Carol Egan

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