

VILLAGE OF ESSEX JUNCTION COMMERCIAL TAX STABILIZATION POLICY

1. **Purpose:**

To encourage economic development, diversify our tax base, enhance the street scape and provide long-term growth in the Grand List and help maintain the vitality of the Village of Essex Junction's commercial business district.

2. **Definitions:**

Current Assessed Value: The assessed value lodged in the Grand List as of April 1st of each tax year.

Commercial Zone: Commercial zone includes the Village center, residential office, mixed commercial, and heavy commercial zones on the official zoning map of the Village of Essex Junction.

Fiscal Year: July 1st through June 30th.

Personal Property: Improvements that are not permanently affixed to the land or building(s).

Real Property: Improvements that are permanently affixed to the land or building(s). This does not include acquisition cost of land and building(s).

Residential Development: Any subdivision, apartment, cluster home, carriage home, condominium, or townhouse designed and constructed for residential occupancy.

3. **Eligibility:**

- A. Any for-profit or non-profit corporation, partnership, cooperative, or proprietorship that is existing, locating or expanding in a commercial zone in the Village of Essex Junction may be eligible for tax stabilization.
- B. Tax stabilization on improvements to a building(s)/site within an industrial zone will be considered on a case-by-case basis upon request of the property owner.
- C. Residential development shall not be eligible for tax stabilization.
- D. No corporation, partnership, cooperative, or proprietorship (profit or non-profit) shall be eligible for tax stabilization if there are delinquent tax or utility accounts payable to the Village of Essex Junction.

E. Tax stabilization must be approved by the Village Trustees by December 31st of the previous fiscal year.

4. Tax Stabilization Process:

The property owner must submit a letter to the Village Trustees requesting tax stabilization in advance of making the required improvements. The letter shall express the property owner's intent to make real property improvements (not personal property improvements) to a building(s)/site within a commercial zone greater than ten (10) percent of the current assessed value of the real property within a twelve (12) month period after approval by the Village Trustees.

Upon receiving a letter requesting tax stabilization, the Trustees may issue a letter of commitment indicating that if the required improvements are made and satisfactory evidence of those improvements are provided to the Village of Essex Junction (i.e., contracts and invoices, etc.), the Trustees will enter into a tax stabilization agreement in accordance with the following*:

- Year 1: Taxed at 30% of the current assessed value of the real property.
- Year 2: Taxed at 50% of the current assessed value of the real property.
- Year 3: Taxed at 70% of the current assessed value of the real property.
- Year 4: Taxed at 100% of the current assessed value of the real property.

Tax stabilization shall be in accordance with the following for any building/site where the building is eligible for the State or National Register of Historic Places or is a contributing building within a district eligible for the National Register of Historic Places:

- Year 1: Taxed at 30% of the current assessed value of the real property.
- Year 2: Taxed at 40% of the current assessed value of the real property.
- Year 3: Taxed at 50% of the current assessed value of the real property.
- Year 4: Taxed at 60% of the current assessed value of the real property.
- Year 5: Taxed at 70% of the current assessed value of the real property.
- Year 6: Taxed at 100% of the current assessed value of the real property.

*All property tax stabilization agreements must be approved by December 31st to be eligible for tax stabilization the following fiscal year in order to allow the municipality to recognize the tax stabilization in its budget.

NOTE: Tax stabilization, approved by the Village of Essex Junction Trustees, applies only to the Village of Essex Junction taxes.

Tax stabilization does not apply to Essex Junction School District or Town of Essex taxes. The Essex Junction School District has adopted a Commercial Tax Stabilization Policy similar to the Village of Essex Junction's Commercial Tax Stabilization Policy.

*Any tax stabilization agreement entered into pursuant to this policy after December 11, 2006 shall terminate upon the merger and/or dissolution of the Village of Essex Junction. The successor municipal corporation shall not be obligated by the terms of any such tax stabilization agreement.

Adopted by the Village Trustees on August 25, 1998.

Revised on 9/8/98, 12/15/98, 3/23/99, 1/18/00, 5/14/02, 5/13/03, 12/12/06 and 2/27/07.

**APPENDIX A: ESSEX JUNCTION BUILDINGS ELIGIBLE FOR THE
NATIONAL HISTORIC REGISTER**

1. 10 Main Street
2. 12-22 Main Street – Brownell Block
3. 5 Main Street (Possibly Non-Contributing)
4. 15 Main Street
5. 8 Railroad Avenue
6. 10 Railroad Avenue
7. 16 Railroad Avenue
8. 22 Railroad Avenue (Possibly Non-Contributing)
9. 26 Railroad Avenue
10. 28 Railroad Avenue
11. 2 Railroad Street
12. 8 Pearl Street