

**ENTERPRISE ZONE PROGRAM
LOCAL PROPERTY ASSESSMENT DEFERRAL PROGRAM**

In October 1982 the New London City Council adopted an ordinance providing the fixing of assessments within New London's Enterprise Zone pursuant to the State of Connecticut's Enterprise Zone Legislation, Public Act 81-445, as amended by S.B. 330, Section 3 and currently identified as Connecticut General Statutes Section 32-71. This ordinance provides for the following:

1. That assessments shall be fixed on all real property, residential or commercial, which is improved in the City's Enterprise Zone during the period when the zone is designated as an Enterprise Zone. Such fixed assessment shall be for a period of seven years from the time of such improvement and shall defer any increase in assessment attributable to such improvements according to the following schedule:

<u>YEAR</u>	<u>% OF INCREASE DEFERRED</u>
First	100
Second	100
Third	50
Fourth	40
Fifth	30
Sixth	20
Seventh	10

2. Any fixed assessment on any residential property shall cease if: (1) for any residential rental property, any dwelling unit in such property is rented to any person whose income exceeds two hundred per cent of the median family income of the City; or (2) for any conversion condominium declared after the designation of the enterprise zone, any unit is sold to any person whose income exceeds two hundred per cent of the median family income of the City. For any given year the median family income is the figure determined by the U.S. Census Bureau and found in the Profile of General Demographic Characteristics of the City of New London for the most recent census.
3. In the event of a general revaluation by the City in the year in which such improvement is completed, resulting in any increase in the assessment on such property, only that portion of the increase resulting from such improvement shall be deferred. In the event of a general revaluation in any year after the year in which such improvement is completed, such deferred assessment shall be increased or decreased in proportion to the increase or decrease in the total assessment on such property as a result of such evaluation.
4. No improvements of any real property which qualifies as a manufacturing facility under subsection (d) of section 32-9p of the general statutes shall be eligible for any fixed assessment pursuant to this section.

CONNECTICUT URBAN ENTERPRISE ZONE PROGRAM

NEW LONDON ENTERPRISE ZONE

Description of Tax Benefits for Residential Facilities

Those property owners undertaking improvements of residential structures are eligible for a:

Seven (7) Year Graduated Tax Exemption on Increased Assessment of Real Property Due to Improvements

1. All residential properties within the Enterprise Zone are eligible for deferral of increased assessment provided that:
 - a. In the case of rental properties, any deferral will cease if any dwelling unit is rented to a person whose income exceeds 200% of the median family income of the City*; or,
 - b. In the case of any condominium conversions occurring after October 8, 1982, the deferral will cease if any unit is sold to a person whose income exceeds 200% of the median family income of the City*.

**Per the 2000 U.S. Census the Median Family Income for New London is \$38,942.
200% of MFI = \$77,884.00*
2. The property owner must first contact the New London Office of Development & Planning at (860) 437-6309 for a Location Certificate.
3. Upon completion of improvements resulting in an increased assessment, the owner must submit to the Office of Development & Planning an application and evidence demonstrating:
 - a. In the case of rental units, that no unit at the time of rental was leased to households with incomes exceeding 200% of the median family income*; or,
 - b. In the case of a residential development converted to condominiums after October 8, 1982, that at the time of sale, no condominium was sold to households with incomes exceeding 200% of the median family income*.
4. The Office of Development and Planning will arrange for property inspections and notifications to the City Tax Assessor.
5. For tax deferral benefits from year 2 through 7, the owner must submit documentation to the Office of Development and Planning that the "200% of median family income" criteria has been satisfied for any rentals/leases executed, or in the case of conversion condominiums for dwelling units sold during the past year.
6. Tax Benefit Exemption Schedule:

<u>YEAR</u>	<u>% OF INCREASE DEFERRED</u>
<u>First</u>	<u>100</u>
<u>Second</u>	<u>100</u>
<u>Third</u>	<u>50</u>
<u>Fourth</u>	<u>40</u>
<u>Fifth</u>	<u>30</u>
<u>Sixth</u>	<u>20</u>
<u>Seventh</u>	<u>10</u>

ENTERPRISE ZONE PROGRAM

(City)

(Date of Report)

DATA REQUIRED

1. Type of Facility: (Check one and fill blank)
Name of Company _____
Address _____
 - _____ a. Industrial _____ (type)
 - _____ b. Commercial/Retail _____ (type)
 - _____ c. Residential _____ (# of units)
 - _____ d. Mixed Use _____ (types)

2. Description of Structure: _____ a. Existing Structure
_____ b. New Structure

3. Anticipated Investment: \$ _____

- 4A. Nature of Development _____ a. Rehabilitation of Structure
(Check appropriate boxes) _____ b. Expansion of Structure
_____ c. New Building
_____ d. If b or c (above) Amount of new
space in square feet

- 4B. Nature of Operation: (Check One)
Start-up _____
Business Relocation _____
Business Expansion _____

5. Industrial and Commercial Facility:
Number of existing employees or jobs retained _____
Anticipated new employees after improvement _____
Total Number of employees after improvement _____

6. Residential Facility Only:
 - a. New dwelling units to be created from improvement _____
 - b. Purpose of Improvement: _____

7. Status: _____
(Finished, under construction, to start construction around _____
in planning stage) (date)

ENTERPRISE ZONE LOCATION ELIGIBILITY CERTIFICATE

1. Name of Business: _____
Street Address: _____
City: _____
Name of Proprietor or Property Owner: _____
Telephone: _____

Signature of Applicant Date

2. Type of Activity: (Describe)
Manufacturing Facility: _____
Retail/Commercial: _____
Other: _____
Residential: _____

3. Benefit Applied For: _____

4. In Case of a Relocation to an Enterprise Zone:
Originating Address: Street: _____
City: _____
Census Tract #: _____
Date of Move: _____

TO BE COMPLETED BY LOCAL ENTERPRISE ZONE OFFICE

5. This Census Tract number (above) will require a "net expansion" of business operations and employment to qualify for certain Enterprise Zone benefits:
Check One: YES () NO ()

6. The above-mentioned business is certified as located in the _____
(Name of City) Enterprise Zone and, if applicable, has satisfied the "net expansion"
requirement.

7. Authorized Signature of Local Enterprise Zone Office:

Signature: _____
Date: _____

The Enterprise Zone Office should keep one copy, give original to applicant and forward one copy to the Connecticut Department of Economic and Community Development, c/o Enterprise Zone Program Manager. Return to Enterprise Zone Manager, Office of Development and Planning, 111 Union Street, New London, CT 06320

MEMO

From: Ned Hammond, Economic Development Coordinator

Local Enterprise Zone (EZ) Benefits – Eligibility and Cutoff Dates

The Local Enterprise Zone Program provides for fixed assessments on the improvements to a property located in the New London Enterprise Zone for a period of seven years. The percent of the increase deferred is in accordance with the schedule found in Connecticut General Statutes Section 32-71. When the benefits are realized on your tax bill depends upon when the improvements are completed with proper Certificates of Occupancy (CO) and when your Enterprise Zone Program Application is completed and received by the EZ Coordinator which is me at this time.

There are two key dates that determine when your EZ tax exemptions benefits become effective and are calculated into your tax bill. They are October 1 and November 1. In general, property assessments are based upon what is built on the property as of October 1st, regardless of whether or not the structure(s) are completed. This assessment will be recorded in your next July tax bill of the next year. **However, in order to receive EZ tax exemption benefits in your next July tax bill, you must have completed all improvements and received all Certificates of Occupancy (where applicable) by October 1st, and your completed EZ application must be received by the EZ Coordinator by November 1st.** To be eligible for enterprise zone tax exemptions starting with the next July tax bill any renovations or improvements to a property must be completed prior to or by October 1st, and a completed EZ application must be submitted by November 1st. For example, if improvements to your property were completed in August 2007, and you received appropriate Certificates of Occupancy in September 2007, and your EZ application was completed and received by me in October 2008, then the EZ tax benefits would be recorded on your tax bill due July 1, 2008. On the other hand, if the improvements are not completed and the CO is not received by October 1, 2007 but completed by October 1, 2008, then the EZ benefits become effective for the July 2009 tax bill. The same will hold true even if the improvements are completed and a CO is received by October 1, 2007, but your completed EZ application is not received by November 1, 2007. In this scenario, you may see an increased assessment on your July 2008 tax bill as a result of the work completed, which you are required to pay in full.

There is a grace period of one year to apply for benefits. For example, a CO is received in May 2007 and as of October 1, 2007 the assessment on the property is increased reflecting the improvements completed, but the property owner fails to apply for EZ benefits by November 1, 2007, the property owner has until November 1, 2008 to apply for benefits. **However, the July 1, 2008 and January 1, 2009 tax bills will reflect the increased taxes and the property owner is responsible for paying those taxes. If an application is received by November 1, 2007 the EZ benefits will be realized starting with the July 1, 2008 tax bill. After November 1, 2008 this property would no longer be eligible for EZ benefits for the work completed prior to October 1, 2007.**

Please note that although you receive two tax bills per year, January and July, the seven year exemptions realized under the Enterprise Zone Program will always begin with a July bill only.

If you have any questions or need additional information you can contact me at the Office of Development & Planning or at 437-6309.