

TOWN OF DOVER

102 Route 100
Dover, VT 05356

Tax Stabilization Program and Policy

Authority

The Town of Dover has enacted this Tax Stabilization Policy in accordance with Title 24, V.S.A. 2741, and affirmed by voters at the 2019 Annual Town Meeting.

Purpose

The intent of the Tax Stabilization Program is to encourage economic development, diversify the tax base, provide employment opportunities, improve commercial and industrial properties, and provide long term growth to the Town Grand List.

This policy gives the Select Board the opportunity to consider applications for Tax Stabilization and establishes the criteria to be used to evaluate and approve the applications to be ratified by Town voters at a regular or special Town Meeting.

Eligibility

Any for-profit, non-profit corporation, partnership, cooperative or proprietorship that is existing, locating or expanding within the Town of Dover, and which is constructing, renovating or expanding a commercial or industrial building in accordance with this policy, and which will result in costs of \$100,000 or more, or 25% of the assessed value of the property. This includes multi family (3+ Unit) residential structures used for commercial purposes. The applicant must be current on all Town taxes and fees, for this, and all other owned and related properties. All applications for tax stabilization shall be made, and approved, prior to the start of construction. Tax stabilization is applicable to Municipal Tax on Real Property only and does not include Educational Tax.

Application and Approval Process

The applicant shall submit a completed application as well as \$500 non refundable application fee, and complete site and business plans, to the Economic Development Director. Plans must include the project location, cost estimates and a timeline for completion. Applications must include the current status of all state and local permits. After preliminary review, more information may be requested.

The Economic Development Director will review for completeness and eligibility, and when deemed ready, will schedule for Select Board review at a regularly scheduled Select Board Meeting. The applicant, or their representative, should be in attendance.

The Select Board may need additional meetings for further review. Once the Select Board has approved a Tax Stabilization application, Town voters will ratify at a regular or special Town Meeting. Recommendation is at the sole discretion of the Select Board.

The Tax Stabilization contract will become effective at the beginning (April 1) of the next fiscal year after voter approval and completion of construction.

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Criteria

The Select Board will evaluate the overall impact of the project on the community. This may include but is not limited to:

- Short and long term tax impact.
- Total amount of private investment.
- Number of jobs created or retained and the salaries and benefits of those positions.
- Impact on the physical, social and economic environment of the Town.
- Consistency with Town Plans, goals and objectives.
- Burden on infrastructure and/or municipal services.
- Applicant is in good standing with taxes on all properties.
- Credit reports and business history.
- Letters of support, though not required.

Tax Stabilization Contract Terms

The length of the Tax Stabilization is 10 years. The first year, the municipal taxes on real property will remain the same as prior to improvements, and every year thereafter will increase 10%, until year 11 in which full taxes will be due.

Year 1	Current Assessed Value + 0% of Increased Value From Improvements
Year 2	Current Assessed Value + 10% of Increased Value From Improvements
Year 2	Current Assessed Value + 20% of Increased Value From Improvements
Year 4	Current Assessed Value + 30% of Increased Value From Improvements
Year 5	Current Assessed Value + 40% of Increased Value From Improvements
Year 6	Current Assessed Value + 50% of Increased Value From Improvements
Year 7	Current Assessed Value + 60% of Increased Value From Improvements
Year 8	Current Assessed Value + 70% of Increased Value From Improvements
Year 9	Current Assessed Value + 80% of Increased Value From Improvements
Year 10	Current Assessed Value + 90% of Increased Value From Improvements
Year 11+	Current Assessed Value + 100% of Increased Value From Improvements

The Tax Stabilization Contract can be transferred to a new owner, as long as that owner continues to operate the business in the same manner, and is able to meet the requirements outlined within the application. The new owner must notify the Economic Development Director of the change in ownership, and attend a Select Board meeting, to sign a renewed contract.

A recapture clause shall be included in the contract, providing for immediate revocation of benefits, and repayment of all reduced taxes in the event of non-compliance or termination of the contract. This includes the closing of the business, bankruptcy, if taxes become delinquent, or if a new owner refuses to renew the contract. A tax lien may be placed on the property if those taxes are to be repaid.

Approval is granted for 2 years. If the project is not completed within this time period, an extension must be requested. The Economic Development Director may grant a 2 year extension at their discretion. Further extensions require Select Board approval.

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Tax stabilization is not retroactive. The first year of tax stabilization shall begin on April 1, which follows voter approval and the date of completion of construction.

Application for Tax Stabilization

Name of Business _____

Address _____

Tax ID# _____

Owner / Contact Person _____

Address _____

Co-Owner / Applicant _____

Address _____

Address of Property _____

Parcel ID _____

Current Use of Property _____

Proposed Use of Property _____

Expected Project Commencement _____

Expected Completion Date _____

Date of Application _____

Phone # _____

Email _____

Phone # _____

Email _____

SS# _____

Phone # _____

Email _____

SS# _____

Current Assessment _____

Private Investment _____

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Briefly describe the project _____

Why is tax stabilization being sought for this project? _____

Status of state and local permits _____

List other businesses in which you are affiliated _____

Projected Number of New Jobs Created, Position Titles, Pay Scales and Timeline for Hiring:

Title of Position	Number of Positions Created	Pay Rate	Benefits Offered	Estimated Hire Date

Attachments

- ___ \$500 Application Fee
- ___ Business Plan, including Financials.
- ___ Site Plans

- ___ Copy of Local and State Permits
- ___ Letters of Support
- ___ Description of Impact on Infrastructure and Municipal Services

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