

EACC Board Policy 2013-3

Termination and Extension of Local Tax Incentives after Revocation of Project Certification

(Effective May 23, 2013 / Amended June 24, 2014)

This policy clarifies the circumstances in which the EACC's revocation of certification of a project will result in the termination of a Tax Increment Financing agreement (TIF agreement) between a host municipality and the private owner of the decertified project.

Policy on TIF Agreement Termination

The EACC's revocation of a Certified Project's certification will result in the termination of a TIF agreement applicable to the decertified project if:

- (1) The terms of the TIF agreement expressly provide for termination of the agreement upon the revocation of the project certification; *or*
- (2) As a result of the revocation, the project no longer fulfills the terms and conditions of the municipal action authorizing the host community to enter into the TIF agreement; *or*
- (3) The EACC determines that, as a result of the revocation, the municipal TIF plan no longer will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth.

A TIF agreement will remain in place after the EACC revokes a project's certification, if the TIF agreement does not expressly provide for its termination upon the revocation of the project certification, *and* the continuation of the TIF agreement is consistent with the original municipal authorization, *and* the EACC determines that the municipal TIF plan will continue to encourage increased industrial and commercial activity in the commonwealth notwithstanding the EACC's revocation of project certification.

Amendment of TIF Agreements

If in accordance with this policy a TIF agreement will terminate as a result of the EACC's revocation of project certification, the host municipality may permit the continuation of the tax increment financing by amending the TIF agreement to change the economic development goals of the project. In such a case, the host community should (1) notify the EACC that it will amend the TIF agreement; (2) duly authorize the amendment, including a vote of town meeting, town council, or city council with the approval of the mayor, as required by law; and (3) submit the fully executed amendment to the EACC for approval by the EACC. The EACC shall allow the host municipality to levy taxes on the de-certified project in accordance with the original TIF agreement until the date of the EACC's approval of the amended TIF agreement, but not for more than one year after the date of EACC vote to revoke the project certification.