

Village of Fairport  
Office of Community + Economic Development

31 South Main Street  
Fairport, New York 14450

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**Industrial Development Agency**  
**UNIFORM TAX EXEMPTION POLICY**

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In accordance with the requirements of Chapters 356 and 357 of the Laws of 1993 (The New York IDA Reform Act), and specifically Section 874 (4) (1) and (b) of the General Municipal Law (hereinafter referred to as the "Law"), the Village of Fairport Industrial Development Agency (hereinafter the "IDA") by Resolution of the Board of Directors adopted on January 28, 1994, has established the following uniform policy with respect to tax exemptions and payments in lieu of taxes (hereinafter "pilot payments").

## **1. Applicability**

This policy will apply to all projects receiving financial assistance on or after January 1, 1994. The terms "project" and "financial assistance" will be strictly interpreted as they are defined by the Law.

The Law is not retroactive with respect to pilot payments or tax exemptions for projects, which received financial assistance prior to January 1, 1994. Therefore, the IDA retains the right to continue, amend, modify, assign or otherwise alter previous agreements, written or unwritten, with respect to tax exemptions or pilot payments for projects of record prior to January 1, 1994.

## **2. Sales Tax Exemptions**

The uniform policy of the IDA will be to grant full exemptions for initial construction, renovation and equipping of approved projects, provided however, that said exemption will not exceed a period of 24 months. The agent of the IDA granted such an exemption will comply with all of the reporting requirements of the State Department of Taxation and Finance, including the filing of an annual report in accordance with Section 874 (4) of the General Municipal Law.

The IDA will not enter into any pilot payment agreements with respect to sales tax exemptions. Therefore, no in lieu of tax payments for sales taxes will be received by the IDA.

## **3. Mortgage Recording Tax Exemptions**

The uniform policy of the IDA will be to grant mortgage recording tax exemption for project related financing only.

The IDA will not enter into any pilot payment agreements with respect to mortgage recording exemptions. Therefore, no in lieu of tax payments for mortgage recording taxes will be received by the IDA.

#### 4. Real Property Tax Exemptions

- a. Land: the uniform policy of the IDA will be to grant no exemptions from real property taxes attributable to the assessed value of the land. Pilot payments will be required based on the assessed value of the land and the tax rates of all applicable taxing jurisdictions.
- b. Improvements - new structures / additions: the uniform policy of the IDA will be to grant real property tax exemption based on the assessed value of the improvements and the tax rates of all applicable taxing jurisdictions in accordance with the following schedule of exemption:

Year	1	100 %	Year	6	50 %
	2	90 %		7	40 %
	3	80 %		8	30 %
	4	70 %		9	20 %
	5	60 %		10	10 %

- c. Rehabilitation of existing structures: the uniform policy of the IDA will be to grant no exemption on the assessed value of the improvements prior to rehabilitation and to grant a real property tax exemption on any increase in the assessed value of the improvements resulting from the rehabilitation work done in accordance with the schedule of exemption provided for in 4(b) above, and also subject to the following:
  - If, in the judgment of the IDA, the scope of the proposed rehabilitation work will prevent or severely limit the effective use or occupancy of the property during all or part of the first year of the agreement, an exemption based on the assessed value of the existing improvements, for up to a maximum period of one year, may be granted by the IDA, at its sole discretion.

#### 5. Written Agreement

All IDA projects will be subject to written payment in lieu of tax agreements (pilot agreement), which will include, but not necessarily limited to, conditions under which effective date or dates on which any exemptions granted will begin and terminate, method of payments and due dates and other appropriate terms and conditions.

## 6. Deviations

The Law permits IDAs to deviate from its uniform tax exemption policy on a case-by-case basis. The decision whether to consider or approve a deviation will be made at the discretion of the IDA. It is to be further understood that a deviation from the uniform policy may result in exemption of less than that provided for in the uniform policy.

In conducting its review of each specific project, the IDA will at a minimum consider and evaluate all of the project characteristics recited in Section 874 (4) (a) of the General Municipal Law.

In the event the IDA proposes a deviation, whether in whole or in part, which allows any exemption greater than provided in the uniform policy, a copy of the terms and conditions of the exemption, as set forth in the pilot agreement, will be sent to all affected taxing jurisdictions for review and comment a minimum of 20 days before approval by the IDA.

All pilot payments received by the IDA as a result of new pilot agreements entered into on or after January 1, 1994 will be remitted to the appropriate taxing jurisdictions within 30 days of receipt by the IDA in accordance with the Law. The IDA will also comply with all other provisions of the law with respect to tax exemptions and in lieu of tax agreements and collection.