



ARTICLE VII. HENRY COUNTY TECHNOLOGY ZONE

Sec. 2-700. Short title.

This article shall be known and may be cited as the "Henry County Technology Zone Ordinance."

(Ord. of 1-28-03)

Sec. 2-701. Statement of purpose.

The Virginia Technology Zones Act, § 58.1-3850 et seq., of the Code of Virginia, as amended, authorizes the establishment of one or more Technology Zones by ordinance. It is the purpose of the Technology Zones Act, and of this article, to stimulate business and industrial growth within the area so designated as the Henry County Technology Zones by means of local incentives more particularly set forth herein.

(Ord. of 1-28-03)

Sec. 2-702. Boundaries of the Henry County Technology Zone.

The boundaries of the Henry County Technology Zone are set forth on the map entitled, "Henry County Technology Zone," which is on file in the office of the county administrator of the County of Henry, Virginia, the area of which has been declared an Technology Zone by the board of supervisors of the County of Henry, Virginia for a period of ten (10) years in accordance with the Virginia Technology Zone Act.

(Ord. of 1-28-03)

Sec. 2-703. Definitions.

As used in this article, the following definitions shall apply:

Business firm. Any business entity, incorporated or unincorporated, which is authorized to do business in the Commonwealth of Virginia and which is subject to state individual income tax, state corporate income tax, state franchise or license tax on gross receipts, or state bank franchise tax on net taxable capital, is not operating under a certificate of public convenience issued by Virginia Corporation Commission, or engaged in the provision of a "utility service" as defined by the County Code, and whose primary operation is comprised of one or more of the following:

Research, design, development, creation, manufacturing or rendering of advanced technology based products, processes or services for lease, sale or license of computer hardware, computer software, electronic based subassemblies and components, computer controlled automation systems, computer-controlled manufacturing equipment and related distribution services, biotechnology, biomedical research, medical applications, pharmaceuticals, immunology and analytical biochemistry, chemicals, advanced electronics, defense-related electronics, aeronautical and aerospace, energy, environmental, advanced materials, photonics, testing and measurements, telecommunications, systems integration, multimedia, e-commerce, internet communications transfer center, transportation manufacturing assembly.

Receivers, principals or prime contractors of identifiable federal appropriations for research and development defined in Federal Acquisition Regulations, in the areas of computer and electronic systems, computer software, applied sciences, economic, social and physical sciences.

(1) The term "business firm" includes partnerships and small business corporations electing to be taxed under subchapter S of the Federal Internal Revenue Code, and which are not subject to state income tax as partnerships or corporations, but the taxable income of which is passed through to and taxed as income of individual partners and shareholders.

(2) The term "business firm" does not include organizations which are exempt from state and/or federal income tax on all income except unrelated business taxable income as defined in the Federal Internal Revenue Code, § 512; nor does it include homeowners associations as defined in the Federal Internal Revenue Code, § 528.

County. The County of Henry.

Existing business. A business firm that was actively engaged in the conduct of trade or business in an area prior to such an area being designated as an Technology Zone or that was engaged in the conduct of trade or business in the Commonwealth and relocates to begin operation of a trade or business within the Technology Zone and whose primary operation is listed in this section.

New business. A business not previously conducted in the Commonwealth that begins operation in an Technology Zone after the zone was designated. A new business is also one created by the establishment of a new facility and new permanent full-time employment by an existing business firm in a Technology Zone and does not result in a net loss of permanent full-time employment outside the zone and whose primary operation is listed in this section.

Technology Zone. The area as defined in section 2-702 herein and declared by the board of supervisors of Henry County, Virginia to be eligible for the benefits accruing under the Virginia Technology Zone Act, § 58.1-3850 et seq.

(Ord. of 1-28-03)

Sec. 2-704. Qualification for benefits.

(a) All business firms shall be eligible for building permit fees waivers and public service authority fee waivers which locate, expand or modernize within the boundaries of the Technology Zone as herein defined.

(b) The County shall make grants to the Henry County Industrial Development Authority as determined under sections 2-705(1), (2), and (3) below. The following three (3) categories will determine qualified investments:

(1) *Modernization*. Investment in real property or machinery and tools for the purpose of incorporating up-to-date technology, methods or ideas in a particular qualified business operation.

(2) *Plant expansion*. Investment in real property or machinery and tools for the purpose of enlarging the volume or scope of a particular qualified business firm.

(3) *New operation*. Establishment of a qualified firm not previously in existence through the construction/investment in new buildings, facilities or machinery and equipment; or investment in an existing building facility, or machinery and equipment vacant or out of production. Any tax refund grants shall be calculated by using the increase over the company's or prior owner's tax base for that location for the tax year prior to then new investment.

(Ord. of 1-28-03)

Sec. 2-705. Local Technology Zone.

All business firms as herein defined which meet the eligibility requirements, established in section 2-704, shall be entitled to the following incentives and the county shall make grants to the industrial development authority as follows:

(1) *Real estate IDA grants*. Grants to the IDA in sum equal to the real estate taxes for projects under the approved "primary operation" for new investments for plant modernization, plant expansion, or new operations for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage located within the zone. A minimum assessed investment of two hundred fifty thousand dollars (\$250,000.00), and the filing of the real property investment plan/refund form sixty (60) days prior to start of construction are required for this grant. The grant shall be calculated by the following percentages over the company's real property tax base for that location for the tax year prior to the year of the start of the new investment:

100% for 1st tax year

50% per year for each of the 2nd, 3rd, 4th and 5th tax years

(2) *Machinery and tools IDA grant*. Grants to the IDA in sum equal to the machinery and tools tax for projects under the approved "primary operation" for investments in equipment and modernization, plant expansion, or new operations for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage located within the zone. A minimum assessed investment of two hundred fifty thousand dollars (\$250,000.00), and the filing of the machinery and tools investment plan/refund form by March 15 in the year immediately following the year in which the investments are made are required for this grant. The grant shall be calculated

by the following percentages over the company's machinery and tools tax base for the prior tax year to the year in which the new investment is taxed:

100% for the 1st tax year

50% per year for each of the 2nd, 3rd, 4th, and 5th tax years

(3) *Furniture, fixtures and equipment IDA grant.* Grants to the IDA in sum equal to the furniture, fixtures, and equipment tax for projects under the approved "primary operation" for investments in equipment modernization, expansion, or new operations for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage located within the zone. A minimum assessed investment of two hundred fifty thousand dollars (\$250,000.00) and the filing of the furniture, fixtures and equipment investment plan/refund form by March 15 in the year immediately following the year in which the investments are made are required for this grant. The grant shall be calculated by the following percentages over the company's furniture, fixtures, and equipment tax base for the prior tax year to the year in which the new investment is taxed:

For furniture, fixtures, and equipment the following shall apply:

100% for the 1st tax year

For furniture, fixtures, and equipment excluding computer equipment the following shall apply:

50% per year for each of the 2nd, 3rd, 4th, and 5th tax years

Computer equipment refunds shall be 50% per year of the calculated taxes using the assessed values of the computer equipment

For (1), (2) and (3) above, grants to the IDA will only be made after verification of the tax having been paid for the new investment, and all taxes are current.

(4) *Waiver of water and sewer availability and connection fees.* The Henry County Public Service Authority (PSA) shall waive availability fees and connection fees for new businesses or expansions of existing businesses in the zone for designated "primary operation" for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage located within the zone. Fees shall be waived based upon PSA procedures and guidelines.

(5) *Waiver of building permit fees.* The County shall waive building permit fees for new and existing businesses within the zone of the designated "primary operation" for new construction, alterations, additions, and improvements, for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage. Fees shall be waived based upon county procedures and guidelines.

(6) *Partial exemption from taxation of substantially rehabilitated real estate, pursuant to § 58.1-3221, Code of Virginia.* The County shall refund to the owner, real estate taxes for projects under the approved "primary operation" for new investments for substantial rehabilitation, renovation or replacement, for the purpose of creating and maintaining a minimum of ten (10) new jobs paying one and one-half times the minimum wage located within the zone. A minimum investment of two hundred fifty thousand dollars (\$250,000.00) is required for this incentive. The refund shall be calculated by the following percentages over the increase in assessed value resulting from the rehabilitation, renovation or replacement:

100% of 1st tax year

50% for 2nd, 3rd, 4th and 5th tax year

The structure must be no less than twenty (20) years of age and any replacement structure may exceed the total square footage of the replaced structure by no more than one hundred ten (110) percent.

(Ord. of 1-28-03)

Sec. 2-706. Termination of real estate, machinery and tools, and furniture, fixtures and equipment IDA grant.

The Technology Zone administrator may terminate any real estate, machinery and tools, and furniture, fixtures and equipment grants for that year, if the industry and/or business fail to maintain its employment levels or investment levels at the time the original grant was awarded. The termination will remain in effect until the industry and/or business notifies the county that the deficiencies have been corrected, or until the five-year grant period expires, whichever occurs first. This action shall not be construed as a delay in or an extension of the five-year grant period. Companies receiving such termination shall not be ineligible to file for future grants until the deficiencies have been corrected.

(Ord. of 1-28-03)

Sec. 2-707. Technology Zone administrator.

The Technology Zone administrator shall be the county administrator or his designee.

(Ord. of 1-28-03)

Sec. 2-708. Term of article.

This article shall be in full force and in effect for a period of ten (10) years from the date of its adoption, unless reenacted or amended.

(Ord. of 1-28-03)