



County of Santa Clara

Policy Name: Manufacturing Personal Property Tax Rebate Santa Clara County
Growth and Job Creation Policy - Board Policy 4.9

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Policy Type: Board

Category: Fiscal and Budget

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4.9 MANUFACTURING PERSONAL PROPERTY TAX REBATE SANTA CLARA COUNTY GROWTH AND JOB CREATION POLICY (Adopted 9-19-95)

The following policy was adopted by the Board of Supervisors on September 19, 1995:

POLICY ON MANUFACTURING PERSONAL PROPERTY TAX REBATE SANTA CLARA COUNTY GROWTH AND JOB CREATION POLICY

The County of Santa Clara supports efforts to maintain and expand manufacturing and research-and-development employment in Santa Clara County as a tool to improve living standards in our community. The County of Santa Clara, through Assembly Bill 1823 of 1993, is willing to assist manufacturers expand or relocate facilities, create good jobs, and increase property tax revenues.

Under provisions of AB 1823, the County of Santa Clara will, for eligible manufacturing facility projects, consider granting a rebate for up to five (5) years of a portion of the County's share of the 1 percent property tax levy on manufacturing equipment. The amount of the rebate granted shall not exceed the amount granted by the city within which the project is located.



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The Board of Supervisors has established the following policy and application guidelines to ensure a prompt and thorough review of eligible projects.

4.9.1 Eligibility

- (A) Consistent with the intent of AB 1823, the County shall only grant personal property tax rebates to companies that, but for the rebate, would not otherwise have expanded or located within Santa Clara County. The County shall not consider an application if, prior to filing for the rebate, any of the following actions have occurred:
 - (1) A building permit for the subject development for which a deduction is being sought has been issued by a City within the County jurisdiction or construction of the subject development has begun; or
 - (2) Manufacturing equipment for which a deduction is being sought has been or is being installed.

- (B) The County shall look more favorably for the purposes of this tax rebate upon companies that:
 - (1) Provide healthcare for all permanent employees;
 - (2) Have a history of fair labor practices;
 - (3) Have workplace health and safety policies in place;
 - (4) Pay wages at or above the competitive industry wages;
 - (5) Provide childcare for their workers;



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- (6) Hire County job training program alumni;
- (7) Hire current residents of Santa Clara County;
- (8) Locate the project so that workers can make use of mass transit;
- (9) Have public giving programs that benefit the local community;
- (10) Have a commitment to workplace training for all employees;
- (11) Have policies in place to reduce the use of toxics and to reduce environmental damage;
- (12) Have a history of mitigating environmental violations.

Please enclose your corporate policy on these items, if applicable.

4.9.2 Application

Any company applying for a Santa Clara County tax rebate shall provide the following information:

- (A) A copy of the applicant's most recent audited financial statement and shareholder report;
- (B) A description of the applicant's expansion or relocation plans which include project timeline and estimated total investment, including costs of real property and manufacturing equipment;



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- (C) An estimated tax schedule for payments of real property tax and manufacturing equipment taxes, including an amortization schedule and anticipated rebate schedule;
- (D) An estimate of the construction jobs created by the proposed development or expansion;
- (E) An estimate of the total jobs and wage and benefit (or suitable alternative) scales by job category (including full-time, part-time, permanent, temporary, and manufacturing) created by the proposed development or expansion and the anticipated hiring dates;
- (F) A list of all other local, state and federal public bodies that the applicant has approached or will approach for additional financial incentives, abatements, rebates or subsidies related to the Santa Clara County application.

4.9.3 Approval

Within 30 days of receipt of the completed application, the Board of Supervisors shall schedule the item for discussion and possible action at a regularly scheduled Board meeting. The Director of Finance will present a recommendation to the Board of Supervisors which evaluates the application and relevant information from state and/or city analysis of project.

4.9.4 Manufacturing Personal Property Tax Rebate Criteria

Minimum Standards:

Companies with expansion projects approved for personal property rebates will:



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- (A) Be eligible for a rebate on personal property taxes for up to 28.5 percent of the County portion of the 1 percent secured and unsecured property taxes paid over a five year period following project completion;
- (B) Create and sustain a minimum of ten (10) full-time permanent manufacturing jobs over the life of the rebate period;
- (C) Demonstrate competitive industry wages, by category and industry at a minimum of \$10 per hour, for both full-time and part-time jobs created by the expansion;
- (D) Provide health care benefits, or a suitable alternative, for permanent jobs created;
- (E) Appoint a contact person who will be responsible for working with the County's designated staff for the purposes of hiring and training job applicants when practical through County offices of the State of California Employment Development Department, locally sponsored Job Training Partnership Act Programs, and Santa Clara County's Greater Avenues for Independence, and to jointly submit an annual report regarding their progress.

4.9.5 Accountability Criteria

A company shall annually submit its claim for a tax rebate. The claim shall show proof of the 1 percent secured and unsecured property taxes paid in the current fiscal year.

The claim shall also list the number of manufacturing and other jobs created because of the project along with a summary of pay rates and



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health insurance coverage or suitable alternatives afforded its employees for the respective job categories.

Companies failing to meet projected job creation, wage rate, or health insurance coverage requirements shall be subject to a proportional claim reduction as defined in the contract.

The County shall have the right to recover a rebate from a company if it is determined, by way of a final decision of an administrative agency or court of competent jurisdiction, that the company has committed a willful or grossly negligent act with regard to the company's business within Santa Clara County.

Related Policies

None.

Related Forms and Information

None.

History

Date	Changes Made
1/30/2014	Policy Uploaded. (Kyle Larson)
9/19/1995	Policy Adopted.