

Norfolk, VA Code of Ordinances

Chapter 45.6 - TECHNOLOGY ZONES

ARTICLE I. -IN GENERAL

Sec. 45.6-1. - Purpose and intent.

In order to foster the development and location of new technology businesses in the city, which will increase capital investment and create jobs, the council finds that the establishment of technology zones pursuant to § 58.1-3850 of the Code of Virginia, 1950, as amended, is necessary. This article shall be in effect on and after January 1, 2017.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16)

Sec. 45.6-2. -Administration.

This chapter shall be administered by the city manager or designee. Any application required by this chapter shall be on forms approved by the city manager or designee. The city manager or designee shall develop and publish procedures to obtaining the benefits created by this chapter and for the administration of this article. The city manager or designee will review the criteria and incentives for the technology zone program annually to assure alignment with city priorities and economic development strategy and shall make recommendations to council if it is determined that the criteria or incentives should be modified.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16)

Sec. 45.6-3. -Burden.

A business applying for the benefits afforded by this chapter shall have the burden of proving qualification, shall apply for certification as a qualified technology business on an annual basis and shall demonstrate annually that it continues to operate as a qualified technology business. No application submitted under this chapter shall be approved if the business is not current in payment of all taxes and fees due the city.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16)

Sec. 45.6-4. -Definitions.

For purposes of this chapter, the following words and phrases shall have the following meanings, unless indicated to the contrary:

*Definite place of business* means an office or a location at which a regular and continuous course of dealing occurs over a period of thirty (30) consecutive days or more. A definite place of business for a person engaged in business may include a location leased or otherwise obtained from another person.

*New technology business* means a technology business that either (a) establishes its initial definite place of business in the technology zone and thereafter maintains its principal definite place of business within the boundaries of the technology zone or (b) has no definite place of business in the city before establishing a definite place of business in the technology zone and thereafter maintains its principal definite place of business in the technology zone.

*Qualified technology business* is a technology business that (1) is a new technology business within the boundaries of the technology zone as established in this chapter and (2) creates at least five (5) new full-time jobs or makes a capital investment of at least two hundred thousand dollars (\$200,000.00) in either (i) tangible personal property or machinery and tools or (ii) real estate improvements used exclusively in such business, or any combination thereof. The new jobs created or capital investment must be located in the technology zone. The full-time job requirement may be met with part-time jobs using a full-time equivalency of forty (40) hours per week.

*Technology business* is a business that derives its gross receipts primarily from the sale, lease, license or provision of innovative or advanced technology based products, processes or services created, designed, developed, produced, manufactured or performed by such business. Products, processes and services shall incorporate or support the use of innovative or advanced technologies having applications in one or more of the following categories:

- (1) Cybersecurity, personal security and property security;
- (2) Sea level rise and recurrent flooding;
- (3) Medical devices, medical diagnostics, pharmaceuticals, biotechnology, biochemical engineering and other life sciences and health care technologies;
- (4) Advanced materials and advanced manufacturing;
- (5) Computer hardware and software;
- (6) Electronics and instrumentation;
- (7) Photonics and sensors;

- (8) Internet and e-commerce;
- (9) Educational and training technologies, including modeling and simulation;
- (10) Bio-informatics and data analytics;
- (11) Logistics and maritime commerce;
- (12) Information technology, telecommunications and wireless technologies;
- (13) Green technologies, renewable energy research and development, and energy conservation;
- (14) Advanced transportation technologies; and
- (15) Nanotechnology.

The use of computers, telecommunications services, or a web page or internet site shall not, in itself, be sufficient to qualify as a technology business.

*Year one* is the calendar year in which a business is certified as a new qualified technology business.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16 )

#### Sec. 45.6-5. -Boundaries of technology zones.

The boundaries of the city's technology zones are hereby established as shown on the "technology zone map" attached hereto as Exhibit A. The technology zone map is hereby declared to be a part of this chapter and to have the same force and effect as if they were fully set forth and described herein. The technology zone map shall be kept on file in the city manager's office or designated city department.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16 )

#### Sec. 45.6-6. -Technology zone incentives.

Notwithstanding any other provision of the Norfolk City Code and pursuant to § 58.1-3850 of the Code of Virginia, 1950, as amended, any business that is certified by the city manager or designee as a qualified technology business shall be entitled to a reduction of its business, professional and occupational license tax imposed by Chapter 24, Article II-A of the Norfolk City Code against gross receipts derived from its technology business as follows:

One hundred percent (100%) reduction in year one of operation;

One hundred percent (100%) reduction in year two of operation;

Fifty percent (50%) reduction in year three of operation;

Fifty percent (50%) reduction in year four of operation; and

Fifty percent (50%) reduction in year five of operation.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16 )

Sec. 45.6-7. -Procedures to obtain technology zone incentives.

It shall be the responsibility of the qualified technology business to apply for certification by the city manager or designee and to obtain the necessary business license and to provide the necessary information in order to obtain the benefits created by this chapter.

To qualify for the tax reduction a business must apply to the city manager or designee to be certified as a qualified technology business. The tax reduction shall begin as of the month of certification of a technology business as a qualified technology business by the city manager or designee. To maintain eligibility for the tax reduction after year one, the business must reapply annually to the city manager or designee to demonstrate that it continues to be a qualified technology business. The tax reduction provided in this section shall apply to a qualified technology business for no more than five (5) calendar years, including any partial initial calendar year.

A business certified to be a qualified technology business must obtain a business license and pay the applicable fee and is subject to the provisions of Norfolk City Code section 24-25.9(b). In order to receive a business professional and occupational license tax reduction under this section, the qualified technology business shall file a business license application annually with the commissioner of the revenue and shall provide the commissioner with an annual certification from the city manager or designee that the business is a qualified technology business. The amount of gross receipts estimated to be earned from qualified technology business activities shall be set out in the license application and shall be subject to verification by the commissioner of the revenue by auditor inspection of documents. All business license tax reductions are subject to adjustment by the commissioner of the revenue based on actual gross receipts earned from qualifying technology business activities. If a business is certified a qualified technology business prior to payment of its business license tax liability to the city, such tax liability shall be reduced according to the schedule above. If a business is certified a qualified technology business after it has paid its business license tax liability to the city in full, it shall receive a refund, without interest, in accordance with the schedule above. No local taxes or fees may be outstanding at the time of application for the business license and reduction.

If a business ceases to be a qualified technology business during a calendar year in which tax reductions apply, business license taxes shall be payable at one hundred percent (100%) of the tax amount imposed by Chapter 24, Article II-A of the Norfolk City Code from the month the business ceased to be qualified until the end of the calendar year.

The entitlement to any license tax reduction authorized in this section shall be conditioned upon the applicant paying any tax or fee imposed by the city, by the date upon which the tax or fee is due. In the event a qualified technology business is thirty (30) or more days delinquent on any local tax or fee, such business forfeits any entitlement to any tax reduction authorized in this chapter.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16.)

Sec. 45.6-8. - Nonwaiver.

Unless stated otherwise herein, nothing in this chapter shall be construed as a waiver of the right of the city to enforce its ordinances, regulations or policies or to collect any taxes, fees, fines, penalties or interest imposed by law on a qualified technology business or upon real or personal property owned or leased by a qualified technology business.

(Ord. No. 46,385, § 17,5-17-16, eff. 7-1-16.)