



**CITY OF BAYTOWN
REVITALIZATION INCENTIVE ZONE (RIZ)**

Glossary of Terms

- (a) “Abatement” means the full or partial refund of ad valorem taxes of certain improvements on eligible properties in a neighborhood enterprise zone designated for economic development purposes.
- (b) “Agreement” means a contractual agreement between a property owner and the City for the purposes of tax abatement refunds.
- (c) “Base Year Value” means the assessed value of eligible property on January 1st preceding the execution of the agreement or the sales price of the eligible property, if the property was conveyed subsequent to such January 1st, whichever is greater.
- (d) “Commercial Improvement” means an improvement that is not a residential improvement.
- (e) “Debt” means any delinquent sum of money levied, imposed or assessed by the City against any applicant or property of the applicant, including, but not limited to, those for ad valorem taxes on real or personal property located within the boundaries of the City. Such term does not include those delinquent sums subject to a valid installment agreement executed prior to the date of the submission of an NEZ incentive application and under which all payments are current.
- (f) “Deferred Maintenance” means improvement necessary for continued operations which do not improve productivity or alter the process technology.
- (g) “Economic Life” means the number of years a property improvement is expected to be in service.
- (h) “Eligible Improvements” means buildings, structures, and site improvements on eligible properties made subsequent to and listed in an NEZ incentive application and for which a certificate of occupancy or certificate of completion has been issued by the City’s chief building official. The term does not include pipelines, personal property, those improvements with an economic life of less than fifteen (15) years, or deferred maintenance improvements.
- (i) “Eligible Properties” means commercial or residential properties within a neighborhood empowerment zone.
- (j) “Existing Structure” means an improvement on real property to which HCAD has assigned or will assign a value regardless of any improvement, which is the subject of an NEZ incentive application.
- (k) “Expansion” means the addition of buildings and/or structures.

- (l) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.
- (m) “HCAD” means the Harris County Appraisal District or its successor agency.
- (n) “Modernization” means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- (o) “Neighborhood Empowerment Zone” or “NEZ” means an area designated as such for the purpose of providing economic incentives, including a tax rebate, as authorized by the City of Baytown in accordance with Chapter 378 of the Texas Local Government Code.
- (p) “New Construction” means a property previously undeveloped which is placed into service by means other than an expansion or modernization.
- (q) “Real Property” means an area of land defined by legal description as being owned by the person applying for a tax abatement, including any improvements thereto, which is to be improved and valued for property tax purposes, and which is included in the Neighborhood Empowerment Zone.
- (r) “Residential Improvement” means a structure associated with single-family, detached, single-family attached, and two family duplex uses.