

Mike Hunt
Commissioner Precinct 1



Terry Barber
Commissioner Precinct 3

Skeet Phillips
Commissioner Precinct 2

Ken Cates
Commissioner Precinct 4

Hal Richards
County Judge

NOTICE OF WORKSHOP MEETING

Notice is hereby given that a workshop meeting of the Kaufman County Commissioners' Court will be held on **Tuesday, February 4, 2020 at 9:00 a.m., in the 2nd Floor Conference Meeting Room located in the Courthouse Annex, 100 North Washington Street, Kaufman, Texas**, at which time the commissioners' court will consider the following items for discussion, and possible action, to wit:

INVOCATION;

PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG;

PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG;

REMARKS FROM VISITORS; (Any member of the public that wishes to speak on an item that is on this agenda will need to sign in, complete a Public Participation Form, and present to County Clerk prior to court. Speakers will be restricted to a three minute presentation.)

1. **ROUTINE CORRESPONDENCE.**
2. **CONSENT AGENDA**
3. **Carlton Schwab;** To Discuss Economic Development for Kaufman County.
4. **Discuss/Consider** setting public hearing and adoption date for Kaufman County's Tax Abatement Rebate Guidelines Resolution.
5. **Adjourn Workshop Meeting.**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Commissioners' Court will conduct a closed meeting in accordance with the Texas Open Meetings Act and the Government Code, Chapter 551, Subchapter D and E; as noted below

<i>Attorney Consultation</i>	<i>Gov't Code §551.071</i>
<i>Real Property</i>	<i>Gov't Code §551.072</i>
<i>Contract being negotiated</i>	<i>Gov't Code §551.0725</i>
<i>Prospective gifts or donations</i>	<i>Gov't Code §551.073</i>
<i>Personnel Matters</i>	<i>Gov't Code §551.074</i>
<i>County Advisory Body deliberations</i>	<i>Gov't Code §551.0745</i>
<i>Security Devices or Security Audits</i>	<i>Gov't Code §551.076</i>
<i>Economic Development negotiations</i>	<i>Gov't Code §551.087</i>

Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. Should any final action, final decision, or final vote be required in the opinion of the Commissioners' Court with regards to any matter considered in such closed or executive meeting or session, then the final action, final decision, or final vote shall be either:

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KAUFMAN CO. TEXAS
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LAURA A. HUGHES
COUNTY CLERK

(a) in the open meeting covered by the notice upon the reconvening of the public meetings; or
(b) at a subsequent open public meeting of the Commissioners' Court upon notice thereof; as the Commissioners' Court shall determine.

Signed this the 31st day of January, 2020.



Hal Richards, Kaufman County Judge

I, the undersigned, County Clerk of the Kaufman County Commissioners' Court do hereby certify that the above notice of meeting of the Kaufman County Commissioners' Court is a true and correct copy of said notice, that I received said Notice, and it was posted on the bulletin board at the courthouse door of Kaufman County, Texas at a place readily accessible to the general public at all times on the 31st day of January, 2020, and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Laura Hughes, County Clerk

By: _____

Deputy _____

ANYONE WHO HAS IMPAIRMENTS REQUESTING AID AT THE COMMISSIONERS' COURT OR ANY PUBLIC MEETING MUST CALL THE COUNTY CLERK AT LEAST 72 HOURS PRIOR TO THE MEETING.

Tax Abatement Workshop

Additional Information – February 2020

- I. Statue Overview
- II. Current Policy
- III. Example Abatements

Statue Overview



Glenn Hegar
Texas Comptroller of Public Accounts



Economic Development

Property Tax Abatement Act, Tax Code Chapter 312 Overview

A tax abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to cities, counties and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements.

Local governments often use property tax abatements to attract new industry and commercial enterprises and to encourage the retention and development of existing businesses. Incorporated cities, counties and special districts are allowed to enter into tax abatement agreements. School districts cannot enter tax abatement agreements. While tax abatements are short-lived, they can have a significant future impact.

New Abatement Legislation Notice for Local Governments

Recently enacted House Bill 3143, which went into effect Sept. 1, 2019, added additional public notice, hearing and reporting requirements for certain tax abatement agreements.

Below are three key highlights:

Requirements for Delivering a Report on Appraised Value of Property with an Expired Abatement

This item requires that:

- For each of the first three years following the expiration of a tax abatement agreement, the chief appraiser of each appraisal district delivers a report to the Comptroller's office containing the appraised value of the property that was subject to the agreement. To meet this requirement and to make sure that all property values are finalized, fill out form 50-276 [comptroller.texas.gov/forms/50-276.pdf], and submit it to the Comptroller's office by Sept. 1 or the first business date thereafter if Sept. 1 falls on a weekend or a federal holiday.
- This report applies to all tax abatement agreements that expire on or after Sept. 1, 2019

All submissions can be mailed to:

Attention: Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, TX 78711

Or you can email submissions to frank.alvarez@cpa.texas.gov [<mailto:frank.alvarez@cpa.texas.gov>].

If you have questions, call the Economic Development general line at 800-531-5441, ext. 3-4679, or contact Frank Alvarez at 800-531-5441, ext. 6-9231.

Public Notice and Hearing Requirements

Changes to this item require that:

- Each city and county public notice provides at least 30 days before the scheduled time of a meeting regarding approval of an abatement.
- The public notice contains: 1) the name of the property owner that would be party to the agreement; 2) the name and location of the reinvestment zone in which the property is located; and 3) a general description of the nature and estimated costs of the improvements in the agreement.
- The governing body of a city or county conducts a public hearing at which the public is given an opportunity to be heard if the governing body wishes to adopt, amend, repeal or reauthorize the guidelines and criteria for a reinvestment zone and abatement.
- A taxing unit with an internet website posts the current version of the guidelines and criteria governing the tax abatement agreements.

Expiration Date Extension

This chapter, Tax Code Chapter 312, was extended until Sept. 1, 2029.

Need Help?

For additional information, contact the Data Analysis and Transparency Division [comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

Disclaimer

This information should not be construed as, and is not a substitute for, legal advice.

Property owners and school districts are urged to consult the Attorney General's Economic Development Handbook and their own legal counsel for any questions or interpretations of economic development laws.



Economy

Economic Development

6-Step Abatement Process

Tax Code Chapter 312 governs reinvestment zones and tax abatements. This chapter enables property taxing entities, excluding school districts, to curb the property taxes assessed on tangible personal property or real property due to the improvements or repairs to the property. Only the property located within a reinvestment zone qualifies for a tax abatement agreement. Hence, a tax abatement agreement is an agreement limiting the increase in the value of the property taxes due to improvements or repairs to real property. Such agreements are limited to ten (10) years.

A city or county designates a reinvestment zone in six steps.

1. **Guidelines and Criteria:** Each taxing unit that wants to consider tax abatement proposals must adopt guidelines and criteria for the creation of a reinvestment zone and must hold a public hearing.
2. **Resolution:** Each taxing unit that wants to consider tax abatements must also adopt a resolution indicating its intent to participate in tax abatement. The resolution must be adopted at an open meeting by a majority vote of the taxing unit's governing body
3. **Public Hearing:** Seven days' written notice of the public hearing must be given to the presiding officer of each of the other taxing units that have taxing jurisdiction over real property within the zone. Notice of the hearing must also be published at least seven days before the hearing in a newspaper of general circulation in the city. At the public hearing on the reinvestment zone, the governing body must find that the improvements sought are feasible and would benefit the zone after the expiration of the agreement, and the zone meets one of the applicable criteria for reinvestment zones.
4. **Designate a Reinvestment Zone:** After the hearing has taken place and the guidelines and criteria have been adopted, the taxing unit may, by official action, designate a reinvestment zone. Designation of an area as an enterprise zone under Chapter 2303 of the Government Code constitutes designation of an area as a reinvestment zone without further hearing or other procedural requirements by the local taxing unit.
5. **Tax Abatement Agreement:** After the designation of the reinvestment zone, the governing body of a taxing unit may enter into a tax abatement agreement under this chapter if it finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the governing body under this section.
6. **Written notice:** A taxing unit's intent to enter into a tax abatement agreement must be delivered to the presiding officer of each of the other taxing units in which the property is located at least

seven days before the abatement is granted. The other taxing units may enter into an abatement agreement or choose not to provide an abatement. There is no penalty for choosing not to provide an abatement.



TAX ABATEMENTS

AN ECONOMIC DEVELOPMENT TOOL FOR CITIES

ABOUT TAX ABATEMENTS

A tax abatement is a local agreement between a taxpayer and a taxing unit. It exempts taxes for all or part of the increase in the value of real property and/or tangible personal property for 10 years or less. A tax abatement is an economic development tool that cities, counties and special districts use to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements. Abatements can only be granted for the real property that is taxed to fund the project, known as the reinvestment zone.

TAX ABATEMENTS CAN BENEFIT COMMUNITIES

While tax abatements are short-lived, they can have a significant future impact.

They reduce unemployment. A new business creates jobs. People employed by the business may use their income to build homes and buy goods and services, cars and other personal necessities.

They strengthen other businesses. Established businesses benefit when a new business opens. The increase in patrons allows other businesses to grow by investing in capital improvements and hiring new employees.

They increase tax revenue. When an abatement is offered, a city still benefits from increased tax revenues. Employees of a new business spend their money at local stores (which boosts sales tax receipts) and often build new homes (which increases property tax receipts). These things occur without the need to increase tax rates.

Tax receipts continue to grow long term after the abatement expires. Once a business is well-established within a community, the improvements and facilities that are added can be taxed. The tax rate and revenue from developed property is higher than on undeveloped property. This creates a long-term source of revenue for the city.

They provide a flexible economic development tool. Abatements can be viewed as a flexible option compared to other economic development tools since infrastructure improvements or risky building ventures could become fixed costs. Without the abatement, it may be financially unfeasible for retailers to build on a certain area, due to features like underground pipelines, stormwater storage or floodplain.

WHAT MAKES A GOOD REINVESTMENT ZONE?

A potential reinvestment zone must be an area in the city that is in serious disrepair or in a development that is damaging, impedes the establishment of housing, creates an economic liability, and is a hazard to the public health, safety, morals or welfare in its present condition and use because of (**Tax Code Section 312.202**):

- a substantial number of structures that are degraded, substandard or deteriorated;
- the predominance of defective or inadequate sidewalks or streets;
- faulty size, adequacy accessibility or usefulness of lots;
- unsanitary or unsafe conditions;
- the deterioration of site or other improvements;
- tax or special assessment delinquency exceeding the fair value of the land;

TAX ABATEMENTS

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- defective or unusual conditions of improvements; or
- any combination of these factors:
 - be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality;
 - be in a federally assisted new community located in a home-rule municipality or in an area immediately adjacent to a federally assisted new community;
 - be located in a home-rule municipality; and
 - encompass signs, billboards or other outdoor advertising structures the governing body of the municipality designates for relocation, reconstruction or removal for the purpose of enhancing the physical environment of the municipality.

CREATING A REINVESTMENT ZONE

To create a reinvestment zone, a municipality, by ordinance, may identify an area, personal property or real property being used for outdoor advertising that is within the municipality's taxing authority or jurisdiction. If the reinvestment zone overlaps a similar residential or commercial-industrial zone, the reinvestment zone is covered by the comprehensive zoning ordinance, if any (**Tax Code Section 312.204 or 312.211**).

A city or county ordinance or order is needed to approve a reinvestment zone, and the boundaries and eligibility of the zone must be described in the ordinance. The ordinance is adopted through a public hearing, when it is determined that the improvements sought are practical and feasible and would be an asset to the land in the zone (**Tax Code Section 312.201(a-b) and (d)**).

ABATEMENT PROCESS

A taxing unit that wants to enter into an abatement agreement and designate an area as a reinvestment zone must follow a predetermined process.

1. DEVELOP GUIDELINES AND CRITERIA.

Each taxing unit considering tax abatement proposals must adopt guidelines and criteria to create a reinvestment zone.

The guidelines and criteria are effective for two years from the date they are adopted (although they may be amended or repealed (**Tax Code Section 312.002(c)**)).

When a taxing unit considers an abatement agreement, it should:

- ensure real property is in the reinvestment zone;
- ensure the improvement project is not financed by tax increment finance bonds;
- agree in writing to exempt all or a portion of the value of the property subject to ad valorem taxation (property taxes);
- Not longer than 10 years;
- ensure a business will make improvements to the real property once located there.

Additionally, a taxing unit may:

- provide an agreement exempting tangible personal property if it's located on taxable or tax exempt real property; and
- include property in an extraterritorial jurisdiction; however, the taxes apply to property within the municipality unless such an area is annexed.

(**Tax Code Sections 312.007(b), 312.201(a-b) and (d), and 312.204(a-c) and (e)**)

Adoption of the guidelines and criteria by the governing body does not (**Tax Code Section 312.022(d)**):

- limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;
- limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
- create any property, contract or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;
- preclude county commissioners from requiring an application or request for tax submitted to the county, accompanied by a reasonable application fee not to exceed \$1,000.

TAX ABATEMENTS

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2. ADOPT A RESOLUTION.

Every taxing unit considering tax abatements must adopt a resolution indicating it intends to participate in the tax abatement. A resolution must be adopted in an open meeting by a majority vote of the governing body.

Any other local government that participates must be a taxing unit where the zone resides (**Tax Code Section 312.206**). Once a project and financing plan have been adopted, other taxing units can participate by providing an abatement when:

- a reinvestment zone is created;
- criteria are established; and
- the primary taxing unit that created the zone and approved the abatement agrees with a business on abatement terms.

3. HOLD A PUBLIC HEARING.

All interested persons are entitled to speak for or against the abatement at a public hearing. Additionally, the governing body must find that the improvements sought are feasible, the improvements would benefit the zone after the agreement expires, and the zone meets one of the applicable criteria for reinvestment zones.

Seven days' written notice of the public hearing must be given by the primary city/county proposing the abatement designation. A hearing notice must also be published at least seven days in advance in a newspaper with general circulation in the city (**Tax Code Section 312.201(d) and (e)**).

4. DESIGNATE A REINVESTMENT ZONE.

After the hearing has taken place and the guidelines and criteria have been adopted, the taxing unit may officially designate a reinvestment zone. If an area is designated as an enterprise zone under Government Code Chapter 2303, it is automatically designated a reinvestment zone – the local taxing unit does not need to hold another hearing or follow other procedures.

The ordinance creating the reinvestment zone must describe the boundaries and the eligibility of the zone (**Tax Code Section 312.201(b)**). A county can establish a reinvestment zone to include an area within the jurisdiction of a municipality (**Tax Code Section 312.401(a)**).

5. ENTER INTO A TAX ABATEMENT AGREEMENT.

After designating the reinvestment zone, the governing body of a taxing unit may enter into a tax abatement agreement if it finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the governing body.

An agreement must be approved by a majority vote of the governing body at a regularly scheduled meeting of the governing body (**Tax Code Section 312.207**).

6. PROVIDE WRITTEN NOTICE.

At least seven days before the abatement is granted, a taxing unit's intent to enter into a tax abatement agreement must be delivered to the presiding officer of each of the other taxing units in which the property is located. The other taxing units may enter into an abatement agreement or choose not to provide an abatement. There is no penalty for choosing not to provide an abatement.

EFFECTIVE DATE AND LENGTH OF ABATEMENT

Usually, tax abatements start on Jan. 1 of the year after they are signed. Cities and counties may set the abatement to take effect on Jan. 1 of a following year (**Tax Code Section 312.211(b)**).

MODIFYING A ZONE OR ABATEMENT AGREEMENT

A taxing unit may amend the guidelines and criteria for a reinvestment zone. The guidelines and criteria are effective for two years from the date of adoption. During that period, the guidelines and criteria may be amended or repealed only by a vote of three-fourths of the members of the governing body (**Tax Code Sections 312.002 and 312.401(e)**).

An abatement agreement can be modified or cancelled by the parties at any time before it expires. The procedures for modifying an agreement are the same procedures used when the agreement was approved and executed (**Tax Code Sections 312.205(a-7), 312.208 and 312.401(e)**). If a local government entity (in coordination with the business) changes or modifies the abatement agreement in any way,

TAX ABATEMENTS

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then the local government entity should complete Comptroller **Form 50-277** and submit it to the Comptroller's office.

STATE GOVERNMENT'S ROLE

The Comptroller's office performs several administrative tasks with regard to abatements and reinvestment zones. It maintains a central registry of designated reinvestment zones and ad valorem tax abatement agreements as submitted by county appraisal districts. It provides technical assistance to taxing units that need help designating a reinvestment zone, adopting tax abatement guidelines or executing abatement agreements. Finally, the Comptroller's office submits a report to the Legislature and governor, no later than December 31 of each even-numbered year, on designated reinvestment zones and abatement agreements that local governments adopt (**Tax Code Section 312.005**).

REPORTING REQUIREMENTS

The Central Appraisal District (CAD) where the reinvestment zone is created must submit the following documents to the Comptroller's office: **Form 50-275**, an ordinance and the project and finance plans (**Tax Code Section 312.005**).

These documents must be submitted before July 1 of the year following the year in which the zone is designated.

If the reinvestment zone is modified or cancelled (for example, zone boundaries are enlarged or reduced, new businesses take over, or new abatement terms are enacted), the CAD must submit **Form 50-277**.

Local governments are encouraged to file a report for all new reinvestment zones in numerical order, not adopting the city/county ordinance or order number that is approved.

WE'RE HERE TO HELP

For additional information go to the **FAQs page**, or contact the Data Analysis and Transparency Division at **econ.dev@cpa.texas.gov** or call **800-531-5441**, ext. **3-4679** or **512-463-4679**.



Glenn Hegar
Texas Comptroller of Public Accounts



Economic Development

Abatement Benefits

Local governments often use property tax abatements to attract new industry and commercial enterprises and to encourage the retention and development of existing businesses. Incorporated cities, counties and special districts are allowed to enter into tax abatement agreements. School districts cannot enter tax abatement agreements.

While tax abatements are short-lived, they can have a significant future impact. There are five ways tax abatements can have a positive impact in the local economy:

- **They reduce unemployment.** A new business creates jobs. People employed by the business may use their income to build homes and buy goods and services, cars and other personal necessities.
- **They strengthen other businesses.** Established businesses benefit when a new business opens. The increase in patrons allows other businesses to grow by investing in capital improvements and hiring new employees.
- **They increase tax revenue.** When an abatement is offered, a city still benefits from increased tax revenues. Employees of a new business spend their money at local stores (which boosts sales tax receipts) and often build new homes (which increases property tax receipts). These things occur without the need to increase tax rates.
- **Tax receipts continue to grow long term after the abatement expires.** Once a business is well-established within a community, the improvements and facilities that are added can be taxed. The tax rate and revenue from developed property is higher than on undeveloped property. This creates a long-term source of revenue for local government entities.
- **They provide a flexible economic development tool.** Abatements can be viewed as a flexible option compared to other economic development tools since infrastructure improvements or risky building ventures could become fixed costs. Without the abatement, it may be financially unfeasible for retailers to build on a certain area, due to features like underground pipelines, stormwater storage or floodplain.



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Economic Development

Chapter 380/381 Economic Development Agreements

Municipality Agreements

Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.

In order to provide a grant or loan, a city must establish a program to implement the incentives. Before proceeding, cities must review their city charters or local policies that may restrict a city's ability provide a loan or grant.

County Agreements

Chapter 381 of the Local Government Code allows counties to provide incentives encouraging developers to build in their jurisdictions. A county may administer and develop a program to make loans and grants of public money to promote state or local economic development and to stimulate, encourage and develop business location and commercial activity in the county.

The county also may develop and administer a program for entering into a tax abatement agreement. This tool allows counties to negotiate directly with developers and businesses.

Need Help?

For additional information, contact the Data Analysis and Transparency Division

[comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

TAX ABATEMENT FOR TEXAS COUNTIES

ALLISON, BASS & MAGEE, LLP- "BUILDING A BETTER TEXAS, LOCALLY"

402 W. 12TH ST., AUSTIN, TEXAS 78701-512-482-0701

LAW@ALLISON-BASS.COM

CHAPTER 312-TEXAS TAX CODE-ABATEMENT

CHAPTER 381-L.G.C.-ECONOMIC DEVELOPMENT

- Tax Abatement-
 - County must:
 - Establish Guidelines and Criteria for Tax Abatement first
 - Receive an Application for Abatement that meets the criteria and that designates a proposed Reinvestment Zone. Application will typically request a level of abatement, usually 70-80%
 - County must carefully examine the real numbers, i.e. applications often portray an overly optimistic view of the project.
 - Publish Notice of Hearing to create the Reinvestment Zone at least 7 days prior to hearing.
 - Give notice to all taxing entities affected by the Reinvestment Zone of the zone and abatement agreement

TAX ABATEMENTS AND P.I.L.O.T. PAYMENTS

- Tax Abatement expressly authorized by Chapter 312
 - A percentage of the actual appraised value as determined by Chief Appraiser.
 - Reduces the tax burden on the project for no more than ten years (two 5 year increments)
 - Annual appraisals determines the taxable value, then the abatement is applied to reduce the levy.
- P.I.L.O.T.-Payment in Lieu of Taxes
 - The County grants 100% abatement, and in lieu of taxes, receives a negotiated amount.
 - Typically the monetary equivalent of a standard abatement, but the revenue is not treated as tax revenue, but contractual revenue. As a consequence, the PILOT payment does not calculate in the formula to determine the effective tax rate/roll back rate.

FEDERAL TAX ISSUES

- Wind projects typically utilize a “production tax credit” to deduct from their revenue taxation.
- Solar projects are eligible for an “investment tax credit”. This may impact the County ad valorem abatement deliberations:
 - Some Appraisal Districts allow the ITC to be deducted from the cost basis of the project, reducing the taxable value for ad valorem tax purposes by as much as 30% (declining). Where the ITC is deducted from value, the County should not grant as much ad valorem abatement.
 - Other Appraisal Districts do not allow the ITC to reduce the initial cost valuation of the project. Where the ITC is not allowed, the abatement percentage may be higher.



11-2000-14

Year	Initial Cost	Material Value	Manpower	Available Value	Out put	1 m. Head	Imp. Pank. vol. T.C.	Specified Imp. Value	Quantity/MT	MW	Annual PLO
2010	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2011	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2012	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2013	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2014	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2015	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2016	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2017	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2018	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2019	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2020	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2021	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2022	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2023	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2024	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2025	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2026	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2027	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2028	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2029	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2030	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2031	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2032	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2033	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2034	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2035	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2036	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2037	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2038	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2039	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2040	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2041	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2042	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2043	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2044	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2045	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2046	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2047	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2048	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2049	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2050	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2051	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2052	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2053	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2054	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2055	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2056	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2057	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2058	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2059	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2060	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2061	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2062	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2063	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2064	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2065	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2066	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2067	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2068	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2069	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2070	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2071	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2072	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2073	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2074	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2075	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2076	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2077	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2078	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2079	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2080	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2081	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2082	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2083	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2084	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2085	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2086	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2087	5,31,17,000,000.00	3,28,11,37,500.00	3,000	25,46,02,500.00	3,000	0.0000	0.0000	1.5,000.00	5	500	500
2088	5,31,17,000,000.00										



CHAPTER 381-LOCAL GOVERNMENT CODE

- Various provisions to authorize county efforts to promote economic development
 - Advertising, Industrial/Economic Development entities
 - Includes tax abatement, loans, grants, rebates to promote new industry
 - Article III, Section 52 prohibitions circumvented by public purpose of development efforts
 - Commissioners Court should make findings that the project will "stimulate, encourage, and development business location and commercial activity in the county;" and that such a program will serve a public purpose.
- Program should not exceed 30 years, or if abatement, comply with Chapter 312.



CHAPTER 381 COMMENTS

- Less structured than Chapter 312 tax abatements
- Little guidance on organization and governance, other than where districts are created, with their own board of directors
- Economic modeling is difficult for ten years, making 30 year modelling speculative at best
- Careful examination of any 381 project to make sure there are provisions for monitoring and oversight to assure accomplishment of public purposes of project.



Current Policy

RESOLUTION # 011718-2A

STATE OF TEXAS § IN THE COMMISSIONERS' COURT
§
COUNTY OF KAUFMAN §

AMENDED
RESOLUTION ADOPTING GUIDELINES AND CRITERIA FOR TAX
ABATEMENTS AND REBATES AND APPOINTING MEMBERS TO KAUFMAN
COUNTY COMPLIANCE COMMITTEE

WHEREAS, the Commissioners' Court of Kaufman County has the authority pursuant to the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, to adopt a tax abatement policy and enter into tax abatement agreements with eligible entities;

WHEREAS, the Commissioners' Court of Kaufman County has the authority pursuant to Section 381.004, Texas Local Government Code to develop and administer a program in order to stimulate business and commercial activity in the county:

1. for state and local economic development;
2. for small or disadvantaged business development;
3. to stimulate, encourage, and develop business location and commercial activity in the county;
4. to promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors, and business; and
5. other purposes as set out in the statute;

WHEREAS, the Commissioners' Court may develop and administer a program for granting tax abatement and entering into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation, the terms of a tax abatement agreement being governed by the provisions of Sections 312.204, 312.205, and 312.211, Texas Tax Code;

WHEREAS, the Commissioners' Court may contract with another entity for the administration of the program or use county employees and funds to administer the program;

WHEREAS, the Commissioners' Court finds that tax abatement within certain guidelines and criteria will attract and retain desirable commercial enterprises in Kaufman County with the result that existing jobs will remain in the county and new jobs will be created in the county;

WHEREAS, the Commissioners' Court finds that tax abatement provides a valuable economic tool for use by the county and others interested in supporting and creating jobs in Kaufman County;

WHEREAS, the Commissioners' Court finds that a tax abatement policy is in the public interest and will contribute to the economic development of the county;

WHEREAS, Kaufman County may not enter into a tax abatement agreement under Chapter 312 of the Texas Tax Code unless the Commissioners' Court establishes guidelines and criteria governing tax abatement agreements and, by resolution, elects to become eligible to participate in tax abatement;

WHEREAS, in May 1998, by Resolution, the Commissioners' Court of Kaufman County originally adopted guidelines and criteria to tax abatement agreements in accordance with Texas Tax Code §312.002;

WHEREAS, on December 28, 2015, the Commissioners' Court of Kaufman County approved a Resolution #5-122815 with amended tax abatement guidelines and procedures;

WHEREAS, the guidelines and criteria adopted under this section are effective for two years from the date adopted; TEXAS TAX CODE §312.002;

WHEREAS, the Commissioners' Court of Kaufman County finds it to be in the public interest to adopt this tax abatement and rebate policy, including the Application, attached hereto and incorporated herein by reference in Exhibit A, and application fee of \$1,000.00;

BE IT FURTHER RESOLVED THAT the Commissioners' Court of Kaufman County, Texas duly convened and acting in its capacity as the governing body of Kaufman County, hereby adopts Resolution#011718-2A which establishes the guidelines and criteria for tax abatements and rebates, including the Application, attached hereto and incorporated herein by reference in Exhibit A, and application fee of \$1,000.00;

BE IT FURTHER RESOLVED THAT the Commissioners' Court of Kaufman County, Texas hereby appoints to the Kaufman County Tax Abatement Compliance Committee: Commissioner Pct. 2; Commissioner Pct. 3; Kaufman County Auditor; Tax Assessor-Collector; Chief Appraiser of Kaufman County Appraisal District; and the District Attorney and/or designee; or their respective successors; and

IT IS ACCORDINGLY RESOLVED that the Commissioners' Court of Kaufman County, Texas, hereby establishes a program to stimulate business and commercial activity in Kaufman County and adopts the following terms, conditions and requirements for such program as described in "Exhibit A" attached hereto.

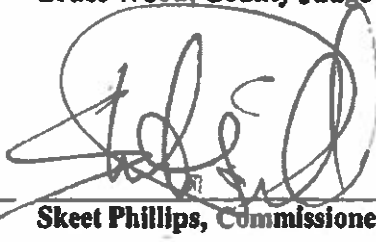
PASSED AND APPROVED this the 17 day of January, 2018.



Bruce Wood, County Judge



Mike Hunt, Commissioner Pct. 1



Skeet Phillips, Commissioner Pct. 2

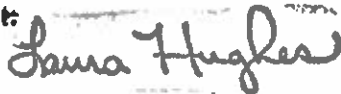


Terry Barber, Commissioner Pct. 3



Jackie Allen, Commissioner Pct. 4

Attest:



Laura Hughes, County Clerk

Deputy Monique Hunter

"EXHIBIT A"
KAUFMAN COUNTY

POLICY STATEMENT FOR TAX ABATEMENTS AND REBATES
TERMS AND CONDITIONS

I. GENERAL PURPOSE AND OBJECTIVES.

The Kaufman County Commissioners' Court is committed to the promotion of high quality development in all parts of the County; and to an ongoing improvement in the quality of life for its citizens. The purpose of the program is to provide an incentive for current and future property owners and leaseholders to invest in Kaufman County and provide increased job opportunities in the county thereby contributing to responsible economic growth of the county.

Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the Kaufman County Commissioners' Court will, on a case-by-case basis, give consideration to providing tax abatement and rebates as stimulation for economic development in the County. It is the policy of the Kaufman County Commissioners' Court that said consideration will be provided in accordance with the procedures and criteria outlined in this document.

Nothing herein shall imply or suggest that the Kaufman County Commissioners' Court is under any legal or equitable obligation to provide any incentive to any applicant. All applicants for tax abatements and rebates shall be considered on an individual and case-by-case basis. The Commissioners' Court of Kaufman County has final approval or disapproval of any application, at its discretion. Kaufman County has the option of having terms in any abatement agreement differ from the terms in an abatement agreement with the initiating city. Kaufman County will exercise that option at its discretion.

II. DEFINITIONS/CRITERIA/GUIDELINES/FORMULA.

Any request for tax abatement shall be reviewed by the Kaufman County Tax Abatement Compliance Committee, said Committee being comprised of two (2) representatives from the Commissioners' Court, Kaufman County Auditor; Tax Assessor-Collector; Chief Appraiser of Kaufman County Appraisal District; and the District Attorney and/or designee; or their respective successors.

The Compliance Committee serves as a recommending body to the county's taxing entities regarding whether economic development incentives should be offered in each individual case. Their recommendation shall be based upon a subjective evaluation of the following criteria which each application will be requested to address in narrative format.

(a) Definitions.

- (1) "Abatement"** means the full or partial exemption from ad valorem taxes of certain real property and improvements, located in Kaufman County as authorized by Chapter 312, Texas Tax Code. Abatement only applies to maintenance and operations portion of Kaufman County's total tax rate.
- (2) "Agreement"** means a contractual agreement between a property owner and Kaufman County Commissioners' Court for the purposes of tax abatement.

- (3) "Base year value" means the assessed value of eligible property on January 1 preceding the execution of the agreement.
- (4) "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (5) "Existing Facility" means a facility or business that has been in operation for more than one (1) year.
- (6) "Expansion" means the addition of buildings, structures, or machinery or equipment for purposes of increasing production capacity.
- (7) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (8) "Manufacturing Facility" means buildings and structures including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (9) "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of a facility of similar or expanded production capacity. Modernization may include improvements for the purpose for increasing productivity, updating the technology of fixed machinery and equipment, or both.
- (10) "New facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (11) "Rebate" as used herein means the reimbursement of a specified percentage of ad valorem taxes of certain real property and improvements and personal property located in Kaufman County as authorized by Chapter 381, Local Government Code.
- (12) "Reinvestment Zone" as used herein means an area within Kaufman County that meets the criteria for municipal or county reinvestment zones and that has been formally designated a reinvestment zone following the procedures set out in Chapter 312, Texas Tax Code.

(b) Abatement or Rebate Authorized.

- (1) Authorized Facility/Project. All types of facilities or projects will be eligible for abatement if they meet the criteria set forth in this policy.
- (2) The Commissioners' Court may grant tax abatement to the owner of taxable real property located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt from taxation a portion of the value of the real property or of tangible personal property, or both, for a period not to

exceed ten years, on the condition that the owner of the property make specific improvements to the property subject to the guidelines and criteria set out herein.

- (3) The Commissioners' Court may grant tax abatement to the owner of a leasehold interest in tax-exempt real property that is located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt a portion of the value of property subject to ad valorem taxation, including the leasehold interest, improvements, or tangible personal property located on the real property, for a period not to exceed ten years, on the condition that the owner of the leasehold interest make specific improvements to the property subject to the guidelines and criteria set out herein.
- (4) The Commissioners' Court may grant tax rebate to the owner of taxable real property located in the county, but that is not in an improvement project financed by tax increment bonds, to exempt from taxation a portion of the value of the real property or of tangible personal property, or both, for a period not to exceed ten years, on the condition that the owner of the property make specific improvements to the property subject to the guidelines and criteria set out herein.
- (5) The Commissioners' Court may grant tax rebate to the owner of a leasehold interest in tax-exempt real property that is located in the county, but that is not in an improvement project financed by tax increment bonds, to exempt a portion of the value of property subject to ad valorem taxation, including the leasehold interest, improvements, or tangible personal property located on the real property, for a period not to exceed ten years, on the condition that the owner of the leasehold interest make specific improvements to the real property subject to the guidelines and criteria set out herein.
- (6) Creation of New Value Abatement or rebate may only be granted for the additional value resulting from improvements to eligible property made subsequent to and specified in an abatement agreement between the Kaufman County Commissioners' Court and the property owner, subject to such limitations as Kaufman County Commissioners' Court may require.
- (7) New and Existing Facilities Abatement or rebate may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (8) Eligible Property Abatement or rebate may be extended to the value of buildings, structures, fixtures, inventories, machinery, equipment and site improvements plus that office space necessary to the operation and administration of the facility.
- (9) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; supplies; tools; furnishings and other forms of moveable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; deferred maintenance investments; property which has a useful life of less than ten (10) years; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.

- (10) **Leased Facilities.** In order for a facility to qualify for abatement, the land and eligible property must be owned by the same individual or company and leased to a facility operator whose lease commitment is at least ten (10) years.
- (11) **Expansion of Existing Facility/Business.** A facility or business that has been in operation for one (1) year or more and meets the other requirements as set forth in this policy will be eligible for the same amount of tax abatement as set forth in the formula set out in Section II(d).

(c) Objective/Subjective Factors.

- (1) **Economic Qualification/Objective Factors.** In order to be eligible to receive a tax abatement or rebate the proposed project will be evaluated by the following objective factors:

- (A) **Employment Impact**

- How many jobs will be created?

- What will the total annual payroll be?

- (B) **Fiscal Impact**

- How much real and personal property value will be added to the tax roll?

- How much direct sales tax will be generated?

- What infrastructure construction would be required?

- The project must be at least \$1,000,000 that will be added to the tax rolls.
(Project includes both real and personal property)

- (C) **Community Impact**

- What type of pollutants, if any, will be created by the project?

- Project can serve as a prototype and catalyst for other development of higher standard.

- Must not have a primary effect of transferring jobs within the county.

- Property has high visibility, image impact, or is of a significantly higher level of development.

- (2) **Subjective Factors:** In addition to the objective criteria, several additional considerations must be evaluated.

- (A) Is project sponsor a local company?

- (B) What types and values of public improvements, if any, will be made by the applicant?

- (C) Does, or can, the project meet all relevant zoning, subdivision and other legal requirements?

- (D) Does the project provide particular benefit to an area of the County targeted for revitalization?
- (E) Will the project substantially increase the business opportunities of existing local suppliers and contractors?
- (F) Will the project compete with existing businesses to the detriment of the local economy?
- (G) Does the project pose any negative environmental, operational, visual or other impacts (i.e., pollution, noise, traffic congestion, etc.)?
- (H) Project is an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.
- (I) What impact will the project have on other taxing entities?
- (J) How will this project affect existing businesses/industries?

(d) **Formula.** Once a determination has been made that tax abatement or rebate should be offered, projects will be evaluated based upon total project costs as stated in the above policy. Tax abatements or rebates will apply to property as stated in this Policy Statement. Abatements or rebates only apply to the maintenance and operations portion of Kaufman County's total tax rate. The value and term of the abatement or rebate will be determined by referencing the following tables:

- (1) Facility/Project Adding at least \$10,000,000.00 to Tax Rolls and creating a minimum of twenty-five (25) jobs:

<u>YEARS OF ABATEMENT/REBATE</u>	<u>PERCENTAGE OF ABATEMENT/REBATE</u>
Year 1	60%
Year 2	50%
Year 3	40%
Year 4	30%
Year 5	20%
Year 6	10%
Year 7	<u>10%</u>
	220%

- (2) Facility/Project adding at least \$5,000,000.00 to the tax rolls but less than \$10 Million and creating a minimum of ten (10) jobs:

<u>YEARS OF ABATEMENT/REBATE</u>	<u>PERCENTAGE OF ABATEMENT/REBATE</u>
Year 1	50%
Year 2	40%
Year 3	30%
Year 4	20%
Year 5	<u>10%</u>
	150%

- (3) Facility/Project adding at least \$3,000,000.00 to the tax rolls but less than \$5 Million and creating a minimum of five (5) jobs.

<u>YEARS OF ABATEMENT/REBATE</u>	<u>PERCENTAGE OF ABATEMENT/REBATE</u>
Year 1	50%
Year 2	40%
Year 3	30%
Year 4	20%
Year 5	10% 150%

Abatements or rebates on all facility/projects (both real and personal property) are open to negotiation up to the state law limits of 100% per year for ten (10) years. The number of years and/or percentage of abatements or rebates can be decided at the discretion of the Commissioners' Court on an individual basis. Maximum years of abatement will not exceed the maximum number of years permitted by state law.

III. PROCEDURAL GUIDELINES.

Any person, organization or corporation desiring that Kaufman County Commissioners' Court consider providing tax abatement or rebate to encourage location or expansion of operations within the area designated by the location or expansion of operations within the area designated by the County shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Kaufman County Commissioners' Court is under any obligation to provide tax abatement or rebate in any amount or value to any applicant.

IV. UNDOCUMENTED WORKERS PROVISION.

Section 2264.051 of the Texas Government Code requires the Applicant to provide within the tax abatement or rebate application a statement certifying that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. Further, the tax abatement or rebate agreement will contain a provision specifying the rate and terms of the payment of interest should the business be convicted of knowingly employing an undocumented worker, in violation of 8 U.S.C. Section 1324a(f).

V. DEFAULT AND RECAPTURE.

- (a) In the event of default of any term or condition of the application for tax abatement or rebate of the tax abatement agreement by the applicant or the applicant's successor or assignee of the applicant, the Commissioners' Court shall have the right to terminate any agreement and cease the abatement of taxes. Taxes based on the appraised value of the subject property with improvements will be due and payable for the year in which tax abatement is terminated.
- (b) In the event that the facility is completed and begins producing products or services, but subsequently ceases to produce products or services for any reason (except for acts of God, war, riot, strike, or natural catastrophe), then tax abatement or rebate shall terminate and no amount of taxes shall be abated or rebated for any calendar year during which the facility does not produce goods and services.

- (c) In the event that the applicant fails to pay ad valorem taxes owed to Kaufman County or any other taxing entity located in the county when due, or violates any of the terms or conditions of the tax abatement and rebate policy; or is in default with any other county-sponsored program; then the county shall have the right to terminate the tax abatement or rebate, in which event, taxes based on the full value of the subject property with all improvements shall be immediately due and payable, including any amount of taxes abated or rebated during the calendar year in which the termination occurs and any amount of taxes abated during prior years.
- (d) In the event that the applicant, during the abatement or rebate period and for a period of four years following the abatement or rebate period, ceases to operate the facility for which abatement or rebate was granted, or moves the facility for which abatement or rebate was granted to a location outside Kaufman County, the Commissioners' Court shall have the right to capture taxes abated or rebated during any previous years.

VI. ASSIGNMENT OF TAX ABATEMENT AGREEMENT.

There shall be no assignment of tax abatement or rebate agreements unless such assignment is approved by the Commissioners' Court.

PRELIMINARY APPLICATION STEPS

1. Applicant shall complete the attached "Application for Tax Abatement or Rebate."
2. Applicant shall address all criteria questions outlined in Section II(c) above in letter format.
3. Applicant shall prepare a plat showing the precise location of the property, all roadways within 500 feet of the site, and all existing land uses and zoning within 500 feet of the site.
4. If the property is described by metes and bounds, a complete legal description shall be provided.
5. Applicant shall complete all forms and information detailed in Items A through D above and submit them to the County Judge's Office, 100 W. Mulberry St., Kaufman, Texas 75142.

APPLICATION REVIEW STEPS

6. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
7. The application will be distributed to each member of the Kaufman County Tax Abatement Compliance Committee and to each taxing entity for a 10-day commentary period. All recommendations/non-recommendations and general commentary regarding the application must be sent to the County Judge's Office. Applicant shall allow county reasonable access to review and audit any records related to information provided in the application. Any additional information, if necessary, may be requested from the Applicant and must be submitted timely in accordance with the deficiency notice.
8. Copies of the complete application package, which will include the Tax Abatement Compliance Committee's recommendation/non-recommendation and any received comments from the impacted taxing entities, shall be provided to each member of the Commissioners' Court. Additionally, the application shall be set on the next available agenda of the Commissioners' Court.
9. Upon direction from any member of the Commissioners' Court, the District Attorney's Office shall prepare an agreement with the Applicant. The tax abatement agreement or rebate agreement shall be provided to the Applicant for their review and execution prior to it being placed on the Commissioners' Court agenda for approval.

CONSIDERATION OF THE APPLICATION/AGREEMENT

10. If permitted by the Open Meetings Act, some of the deliberation concerning the application may be discussed by Commissioners' Court and staff in executive session.
11. Any and all tax abatement or rebate agreements must be approved by the Commissioners' Court in open session.

**APPLICATION FOR
ECONOMIC DEVELOPMENT INCENTIVES**

1. Property/Project Description

1. Property Owner: _____
Mailing Address: _____

Phone Address: () _____
E-Mail Address: _____
2. Project Sponsor: _____
Mailing Address: _____

Phone Address: () _____
E-mail Address: _____
3. Applicant's Rep.: _____
Mailing Address: _____

Phone Address: () _____
E-Mail Address: _____
4. Property Address: _____
Legal Description:
(Provide attachment if by metes and bounds)

5. Located Within (Entity): _____

_____ Kaufman County

6. Description of Project: _____

7. Date(s) projected for occupation of project/initiation of operations: _____

8. Narrative Response to Section II(c) of Policy Statement for Tax Abatement:

9. I hereby certify that _____ (name of business), or any branch, division, or department of the business, does not and will not knowingly employ an undocumented worker.

SIGNATURE(S)

APPLICANT(S): _____

DATE

PRINT NAMES (s): _____

TITLES: _____

Date of Application _____

Person Accepting Application _____

Date of Approval _____

POLICY STATEMENT FOR TAX ABATEMENT •

Example Abatements

1. Rockwall
2. Johnson
3. Ellis
4. Collin Historical Abatement

Rockwall County Tax Abatement Policy

Reference: Texas Property Tax Code (Tax Code).

Taxing jurisdictions in Texas are authorized under Section 11.24 to provide tax abatements for historic preservation and under Chapters 311 [Tax Increment Financing] and 312 [Property Redevelopment and Tax Abatement] to provide tax abatements for housing and economic development.

Purpose: The Commissioners Court establishes the following policy regarding tax abatement.

1. It is the policy of the County's governing body to carefully consider the pros and cons of each application for tax abatement that is submitted in accordance with the "Tax Abatement Procedure and Application Form" established for this purpose;
2. The maximum term for any tax abatement agreement granted by the County by an affirmative vote of a majority of the Commissioners Court in a regularly scheduled meeting shall be ten years;
3. An upfront analysis shall be made of benefits accruing to each participating Rockwall County local governmental entity to identify the County's share of forecast contributions attributed to infrastructure expected to directly benefit any of those entities;
4. Any tax abatement agreement granted by the County shall be subject to review and evaluation over its duration to ensure that the proposed benefits are achieved;
5. Any tax abatement agreement not achieving its stated goals pursuant to the review and evaluation process shall, at the sole discretion of the County, be subject to recapture of all or a portion of the abated taxes;
6. The "Tax Abatement Procedure and Application Form" shall be reviewed periodically to update and revise as necessary based upon economic conditions, findings of deficiencies in the procedure, or any other factors warranting consideration for revision.
7. A copy of this and other policies established to guide the governing body of the County shall be provided to each newly elected member of the Commissioners Court prior to the first regular meeting of the court.

Revised and adopted this 9th day of April, 2019, thereby replacing the policy statement of April 27, 2010.

JOHNSON COUNTY COMMISSIONERS COURT



RICK BAILEY
Commissioner Pet. #1

KENNY HOWELL
Commissioner Pet. #2

ROGER HARMON
County Judge

Carla Hester
Assistant to Commissioner's Court

Filed For Record 1:35 pm

JUL 24 2018

Becky Ivey
County Clerk, Johnson County Texas
BY MA DEPUTY

JERRY D. STRINGER
Commissioner Pet. #3

LARRY WOOLLEY
Commissioner Pet. #4

THE STATE OF TEXAS

§
§
§

ORDER 2018-16

COUNTY OF JOHNSON

**GUIDELINES AND CRITERIA FOR JOHNSON COUNTY TAX ABATEMENT
POLICY**

BE IT REMEMBERED, at a regular meeting of the Commissioners Court of Johnson County, held on the 23rd day of July, 2018, on motion made by Commissioner Woolley, and seconded by Commissioner Bailey, the following Order was adopted:


WHEREAS, IT IS THE DESIRE OF THE Johnson County Commissioners Court to adopt a policy that establishes the criteria that the County will use to evaluate tax abatement requests; and

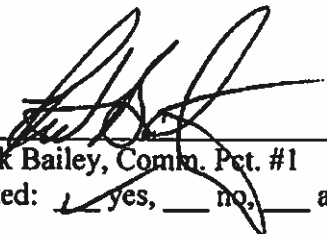
WHEREAS, the Commissioners Court has reviewed and approved the attached policy;


NOW THEREFORE BE IT ORDERED, ADJUDGED AND DECREED, that the attached Guidelines and Criteria for Johnson County Tax Abatement Policy Statement is approved for Johnson County for a period of two years from this date unless otherwise appealed or replaced.

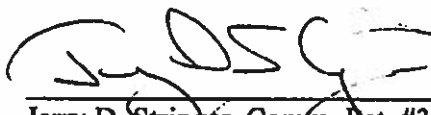
COPY NOT COMPARED
TO ORIGINAL

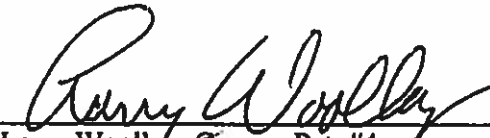
DONE IN OPEN COURT THIS 23rd DAY OF JULY 2018.



Roger Harmon, Johnson County Judge
Voted: ☒ yes, ☐ no, ☐ abstained


Rick Bailey, Comm. Pct. #1
Voted: ☒ yes, ☐ no, ☐ abstained


Kenny Howell, Comm. Pct. #2
Voted: ☒ yes, ☐ no, ☐ abstained


Jerry D. Stringer, Comm. Pct. #3
Voted: ☒ yes, ☐ no, ☐ abstained


Larry Woolley, Comm. Pct. #4
Voted: ☐ yes, ☐ no, ☐ abstained

ATTEST: 
Becky Ivey, County Clerk



**GUIDELINES AND CRITERIA FOR JOHNSON COUNTY
TAX ABATEMENT POLICY STATEMENT**

I. GENERAL PURPOSE AND OBJECTIVES

Johnson County is committed to the promotion of high quality development in all parts of the County, and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, Johnson County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development. It is the policy of Johnson County that said consideration will be provided in accordance with the procedures and criteria outlined in this document. Nothing herein shall imply or suggest that Johnson County is under any obligation to provide tax abatement to any applicant. All applications shall be considered on a case-by-case basis.

It is the intent of the Commissioners Court to consider approving and it may approve or deny any agreement adopted by an incorporated city. Further it is the intent of Johnson County that the County will not approve nor join in an abatement agreement that encourages an applicant to move from one Johnson County city to another unless such agreement is approved in writing by both such cities.

II. DEFINITIONS

- A. "Abatement" means the full or partial exemption for ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.
- B. "Agreement" means a contractual agreement between a property owner and a taxing jurisdiction for the purpose of tax abatement.
- C. "Base Year Value" means the assessed value of the applicant's property located in designated reinvestment zone on January 1 of the year of the execution of the agreement plus the agreed upon value of property improvements made after January 1 but before execution of the agreement.
- D. "Economic Life" means the number of years a property is expected to be in service in a facility.
- E. "Expansion" means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity.
- F. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- G. "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 operation, and extends the economic life of the facility. 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, repairing, or completion of deferred maintenance.
- H. "New facility" means a property previously undeveloped, which is placed into service by means other than expansion or modernization.
- I. "Reinvestment Zone" is an area designated as such for the purpose of tax abatement as authorized by V.T.C.A. Tax §312.001 et seq.

- J. "Deferred Maintenance" means improvements necessary for continued operation of an existing facility, which do not improve the productivity of existing facilities or alter the process technology.

III. HOW ABATEMENT IS AUTHORIZED

- A. **Authorizing Body:** Any request for tax abatement shall be reviewed by the commissioners Court of Johnson County. The Commissioners Court of Johnson County decides whether economic development incentives should be offered in each individual case. Their recommendation shall be based upon a subjective evaluation of the following criteria, which each applicant will be requested to address in narrative format:

EMPLOYMENT IMPACT

How many jobs will be brought to Johnson County?

What type of jobs will be created?

What will the total annual payroll be?

FISCAL IMPACT

How much real and personal property value will be added to the tax rolls?

What infrastructure construction would be required?

What is the projected total annual operating budget of this facility?

COMMUNITY IMPACT

What effect will the project have on the local housing market?

What environmental impact, if any, will be created by the project?

How compatible is the project with the County's comprehensive plan?

- B. **Authorized Facilities:** Tax abatement may be granted for new facilities and for expansion or modernization of existing facilities per the appropriate tables. The economic life of a facility or improvements must exceed the life of the abatement agreement.
- C. **Eligible Property:** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility, but not to inventory or supplies. Abatement may only be granted for the additional value of eligible property listed in an abatement agreement between the County and the property owner and lessee (if required), subject to such limitations as Commissioners Court may require.
- D. **Value of Abatement:** The subjective criteria outlined in Section III. A. will be used by the Commissioners Court in determining whether or not it is in the best interests of the County to recommend that tax abatement be offered to a particular applicant. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project.

- E. **Ineligible Property:** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing or residential; deferred maintenance investments; property which has an economic life of less than (5) five years more than the period for which the property is abated; any property which can be expected to solely or primarily have the effect of transferring employment from one part of Johnson County to another unless such abatement is necessary to promote the retention of jobs in Johnson County which might otherwise be lost; any property that is owned or leased by a member of the Commissioners Court.

Tax abatement will be available for both new facilities and structures and for expansion or modernization of existing facilities and structures per the tables below.

Once a determination has been made that a tax abatement should be offered, the eligible property and term of the abatement will be guided by referencing the following tables:

NEW FACILITIES AND STRUCTURES TABLE

Percent of Value to be Abated	Capital Cost OR	New full Time Jobs Created	Maximum Years of Abatement
30%	\$ 1,000,000- 5,000,000	10-75	2
35%	\$5,000,001- 20,000,000	76-100	3
45%	\$20,000,001-35,000,000	101-150	5
50%	\$35,000,001-50,000,000	151-175	7
50%	\$50,000,001-65,000,000	176-200	8
50%	\$65,000,001-80,000,000	201-400	9
50%	\$80,000,001- over	401- over	10

EXPANSION OR MODERNIZATION OF EXISTING FACILITIES AND STRUCTURES TABLE

Percent of Value to be Abated	Capital Cost OR	New Full Time Jobs Created	Maximum Years of Abatement
35%	\$ 1,000,000- 5,000,000	10-75	2
40%	\$5,000,001- 20,000,000	76-100	4
45%	\$20,000,001-35,000,000	101-150	5
50%	\$35,000,001-50,000,000	151-175	7
50%	\$50,000,001-65,000,000	176-200	8
50%	\$65,000,001-80,000,000	201-400	9
50%	\$80,000,001- over	401- over	10

In exceptional cases of value gained/jobs to be created or in circumstances where a city grants abatement with a lower economic qualification or grants an abatement for a percentage of value or for duration different than those stated above, the Commissioners Court may agree to enter an abatement agreement with terms that differ from the standards stated above. The Commissioner's Court reserves the right to determine eligibility and length of abatement on a case-by-case basis.

IV. PROCEDURAL GUIDELINES

A. Preliminary Application Steps

1. Applicant shall complete the attached "Application for Tax Abatement". The application shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.
2. Applicant shall address criteria questions outlined in Section III in letter format.
3. Applicant shall prepare a plat showing the precise location of the property and all roadways within 500 feet of the site.
4. If the property is described by metes and bounds, a complete legal description shall be provided.
5. In the case of a modernization or expansion, the applicant shall also include a statement of the facility's current property value, stated separately for real and personal property.
6. Applicant shall prepare a time schedule for undertaking and completing the planned improvements.
7. Applicant shall provide a tax certificate verifying that no taxes are past due on applicant's property located within the proposed reinvestment zone.
8. Applicant shall complete all forms and information detailed in items 1 through 7 above and submit them to the County Judge, Johnson County, Texas.

B. Application Review Steps

1. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
2. The application will be distributed to the appropriate County department for internal review and comments.
3. Copies of the complete application package and staff comments will be provided to the Commissioners Court.

C. Consideration of the Application

1. The Commissioners Court will consider the application at a meeting duly convened under the Texas Open Meetings Act and V.T.C.A. Tax Code §312.003. Additional information may be requested as needed.
2. The Commissioners Court may consider an order calling a public hearing to consider establishment of a tax reinvestment zone if needed.
3. The Commissioners Court may hold the public hearing and determine whether the project is "feasible and practical and whether it would be of benefit for the land to be included in the zone".
4. Johnson County may consider adoption of an order designating the area described in the legal description of the proposed project as a commercial/industrial tax abatement zone.
5. The Commissioners Court may consider adoption of an order approving the terms and conditions of a contract between the County and the applicant governing the provision of the tax abatement within the reinvestment zone.
6. The governing body of Johnson County may consider ratification of and participation in the tax abatement agreement between Johnson County and the applicant.

7. Any tax abatement agreement will address various issues, including, but not limited to, the following:
 - a. General description of the project;
 - b. Amount of the tax abatement and percent of value to be abated each year;
 - c. Method for calculating the value of the abatement;
 - d. Duration of the abatement, including commencement date and termination date;
 - e. Legal description of the property;
 - f. Kind, number, location and timetable of planned improvements;
 - g. Specific terms and conditions to be met by applicant;
 - h. The proposed use of the facility and nature of construction; and
 - i. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment.

D. Effective Date

These guidelines and criteria herein shall be effective from the date of passage and remain effective for two (2) years from such date of adoption unless otherwise amended or repealed by a three-fourths (3/4ths) vote of the Commissioners Court.

V. DENIAL OF ABATEMENT

Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that;

- A. There would be a substantial adverse impact on the provision of government services or tax base;
- B. The applicant has insufficient financial capacity;
- C. Planned or potential use of the property would constitute a hazard to public safety or health;
- D. Violation of other codes or laws exist; or
- E. Any other reason deemed appropriate by the Commissioners Court.

VI. TAXABILITY

From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

- A. The value of ineligible property shall be fully taxable;
- B. The base year value of existing eligible property shall be fully taxable;
- C. The additional value of new eligible property shall be taxed in the manner and for the period provided for in the abatement agreement; and
- D. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

VII. RECAPTURE

- A. In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or

other casualty or accident or natural disaster for a period of one year during the abatement period, then the agreement shall terminate automatically as of the 365th day of discontinuation and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty days from the date of termination.

- B. Should the County determine that the company or individual is in default according to the terms and conditions of its agreement, the County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date such notice is placed in the U.S. mail ("Cure Period"), then the agreement may be terminated.
- C. In the event that the company or individual, after exercising due diligence to pay taxes properly due, (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure within the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- D. In circumstances where a city grants an Abatement with different Recapture provisions than those stated above, the Commissioners Court may agree to enter an abatement agreement consistent with the city agreement that differs from the recapture requirements contained in this policy.

VIII. ADMINISTRATION

- A. Access to Facility: The Agreement shall stipulate that employees and/or designated representatives of the taxing authorities will have access to the facility during the term of the agreement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections shall be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility; provided however, the County may conduct "spot" inspections requiring no advance notification applicant. All inspections will be made with one or more representatives of the company or individual, and in accordance with its safety standards.
- B. Annual Evaluation: Upon completion of construction, the eligible authority individually or in conjunction with other affected authorities, shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement.
- C. Transfer or Assignment: Tax abatements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the County for ad valorem taxes or other obligations.

APPLICATION FOR TAX ABATEMENT

Johnson County, Texas

This application should be filed with the County Judge's Office of Johnson County.

Property Owner _____

Mailing Address _____

Telephone Number _____

Property Owner's Representative _____

Mailing Address _____

Telephone Number _____

Property Address _____

Property Legal Description _____

(Provide Attachments if By Metes and Bounds)

Located within:

City: _____

If not within a municipality, address within County: _____

School District _____

Projected Occupancy Date of Project/Initiation of Operations: _____

Description of project: _____

7. Narrative Response to Criteria Questions in Section III.

Upon receipt of this application, Johnson County shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

TAX ABATEMENT GUIDELINES, CRITERIA AND PROCEDURES FOR ELLIS COUNTY

**Approved at Ellis County Commissioners' Court
Minute Order No. 96-188 on August 12, 1996**

**Renewed, Reaffirmed, and Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 98-192 on July 13, 1998**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 20-213 on July 10, 2000**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 485.02 on November 12, 2002**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 397.04 on October 11, 2004**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 457.06 on November 13, 2006**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 145.09 on February 23, 2009**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 135.11 on February 28, 2011**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 300.11 on August 25, 2011**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 274.13 on August 12, 2013**

**Renewed, Reaffirmed, Reenacted at Ellis
County Commissioners' Court by Minute Order
No. 285.18 on June 19, 2018**

TAX ABATEMENT GUIDELINES AND PROCEDURES FOR ELLIS COUNTY, TEXAS

SECTION 1 AUTHORITY, PURPOSE AND OBJECTIVES

- 1.01 Pursuant to Chapter 312 of the Tax Code, (Property Redevelopment and Tax Abatement Act) Ellis County, Texas (hereinafter "County") is authorized to designate Reinvestment Zones and to enter into tax abatement agreements in areas of the County that do not include areas that are in the taxing jurisdiction of the municipality. With regards to properties located in Reinvestment Zones for which a municipality has given tax abatement incentives, the County may also enter into tax abatement agreements pursuant to the County's guidelines and criteria.
- 1.02 Section 312.002 of the Tax Code requires that the County establish guidelines and criteria governing tax abatement agreements. These guidelines and criteria are for the purpose of promoting the efficient and reasonably consistent administration of tax abatement incentives. These guidelines are effective for two (2) years from date adopted by Commissioners Court. A three-quarter (3/4) vote by Commissioners Court is required to amend or repeal these guidelines.
- 1.03 These guidelines and criteria, and the procedures established herein, do not:
- a) limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement,
 - b) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether or not the Commissioners Court should consider a particular application or request for tax, and
 - c) create any property right, contract right, or other legal right to any person, or firm, or corporation to have the Commissioners Court consider or grant a specific application for a specific request for tax abatement.

SECTION 2 DEFINITIONS

- 2.01 "*Abatement*" means the full, or partial, exemption from County ad valorem taxation of the increased values of eligible properties in a Reinvestment Zone designated as such in accordance with State law, or the full or partial exemption from County ad valorem taxation of the increased values of properties located within a municipality's taxing jurisdiction where the municipality has granted full or partial exemption to those properties from municipal taxes.

- 2.02 **"Agreement"** means the assessed value of either (1) the applicant's subject real property and improvements on January 1 of the year of the execution of the agreement plus the agreed upon value of any property improvements made after that January 1, but before execution of the agreement.
- 2.03 **"Base Year Value"** means the assessed value of either (1) the applicant's subject real property and improvements on January 1 of the year of the execution of the agreement plus the agreed upon value of any property improvements made after that January 1, but before execution of the agreement.
- 2.04 **"Economic Life"** means the number of years a property improvement is expected to be in service provided, however, in no event shall the number of years exceed the depreciation allowance specified in the Federal Internal Revenue Service Code.
- 2.05 **"Enterprise Zone"** means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity.
- 2.06 **"Expansion"** means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity.
- 2.07 **"Facility"** means real property along with any improvements completed or in the process of construction which together comprise an integral whole.
- 2.08 **"Lease"** means a relationship whereby the business applying for tax abatement has a contract with the owner of said property for possession of either the real property on which improvements are to be made and/or movable personal property to be used for the operation of the business for a defined period of time. *(See Texas Attorney General Opinion No. JC-300 (2000): precluding an agreement with an owner of a leasehold interest in tax-exempt property.)*
- 2.09 **"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 operation, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repair or for maintenance or completion of deferred maintenance.
- 2.10 **"New Facility"** means a property previously undeveloped which is placed into service by means other than expansion or modernization.
- 2.11 **"Reinvestment Zone"** is an area designated as such for the purpose of tax abatement as authorized by the County in accordance with the Texas Tax Code Annotated §312.401, as amended.
- 2.12 **"Ineligible Property"** is inventory, supplies and that portion of the market value of property exempted from taxation pursuant to Section 11.31 of the Texas Property Code. Ineligible Property also includes mobile personal property, such as a motor vehicle, that is not fixed to property located within a municipal Reinvestment Zone.

SECTION 3
REINVESTMENT ZONE DESIGNATION

- 3.01 A Reinvestment Zone may only be designated in accordance with §312.401 of the Texas Tax Code (V.T.C.A.) as amended.
- 3.02 A Reinvestment Zone under §312.401 of the Texas Tax Code may only be designated by the Commissioners Court in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- 3.03 An area may be designated as a Reinvestment Zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would contribute to the retention or expansion of primary employment within the County, or would attract major investment into the Zone that would be a benefit to the property to be included in the Zone and would contribute to the economic development of the County.
- 3.04 The public hearing on the proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. At this hearing, all interested persons are entitled to speak and present evidence for or against the designation. NOT LATER THAN THE SEVENTH (7TH) DAY BEFORE THE DATE OF THE HEARING, NOTICE OF THE HEARING MUST BE; (1) PUBLISHED IN A NEWSPAPER HAVING GENERAL CIRCULATION IN THE COUNTY; AND (2) DELIVERED IN WRITING TO THE PRESIDING OFFICER OF THE GOVERNING BODY OF EACH TAXING UNIT THAT INCLUDES IN ITS BOUNDARIES REAL PROPERTY THAT IS TO BE INCLUDED IN THE PROPOSED REINVESTMENT ZONE.
A delivered notice made under subsection (2) in the paragraph above is presumed to be delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee. THE PUBLIC HEARING MUST ALSO BE POSTED AS AN AGENDA ITEM ON THE COMMISSIONERS COURT AGENDA TO COMPLY WITH THE TAX CODE AND THE TEXAS OPEN MEETINGS ACT.
- 3.05 If the Commissioners Court finds that designation of the area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioners' Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation.
- 3.06 The order of the Commissioners Court designating the area as a Reinvestment Zone shall contain a description of the precise boundaries of the Zone.
- 3.07 The designation of a Reinvestment Zone may be for a period up to five (5) years. No designation shall exceed five (5) years, and a designation shall automatically expire five (5) years after the date of the designation unless renewed by the Commissioners Court for subsequent periods not to exceed five (5) years each. This provision does not affect the guidelines for length of abatements called out in Section 6 hereinafter.

- 3.08 Property may be located both in a Reinvestment Zone designated by the County and in a Reinvestment Zone designated by a municipality.
- 3.09 Designation of an area as an Enterprise Zone under the Texas Enterprise Zone Act (Chapter 2303, Government Code) constitutes designation of the area as a Reinvestment Zone without further hearing or other procedural requirements other than those set out in the Texas Enterprise Zone Act.
- 3.10 Section 312.204(b) of the Code requires that tax abatement agreements made with the owners of property in a Reinvestment Zone must contain identical terms for the portion of the value of the property that is to be exempt and the duration of the exemption.

SECTION 4

ABATEMENT AUTHORIZED

- 4.01 Abatement is authorized, subject to approval of the Commissioners Court and execution of a lawful tax abatement agreement, for properties located within a Reinvestment Zone designated by the Commissioners Court or an Enterprise Zone established pursuant to the Texas Enterprise Zone Act.
- 4.02 Abatement is also authorized for properties located within a municipal Reinvestment Zone when the municipality has entered into a tax abatement agreement with regard to a property located within the Zone. An agreement for such properties must be in accordance with the terms of §312.206 of the Tax Code (V.T.C.A.), as amended.
- 4.03 Authorized Facilities: Tax abatement may be granted for new facilities and for expansion or modernization of existing facilities. The economic life of a facility or improvements must exceed the life of the abatement agreement.
- 4.04 Eligible Property: Tax abatement may be granted for all or a portion of the value of the real property, all or a portion of the value of the tangible personal property located on the real property, or all or a portion of the value of both, up to the maximum percent of abatement expressed within section 6.02. Pursuant to section 2.12, tangible personal property expressly does not include mobile personal property, such as a motor vehicle, that is not fixed to property located within a municipal Reinvestment Zone.
- 4.05 Eligible Applicant: Tax abatement may be granted to the owner of taxable real property, the owner of tangible personal property or the owner of a leasehold interest in tax-exempt real property. In regard to a lessee of taxable real property, tax abatement may apply to all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property, up to the maximum percent of abatement expressed within section 6.02.
- 4.06 Value of Abatement: Authorized facilities may be granted abatement on all or a portion

of the increased taxable value of eligible property over the base year value for a period to be determined by the Commissioners Court. This abatement, if granted as to real property, is not with regard to the entire value of the property, but only as to the extent that the value of the real property exceeds the value for the year in which the abatement is granted (i.e. Base Year).

SECTION 5

PROJECT IMPACT DATA

5.01 Introduction

The information required in this Section will be used by the Commissioners Court to determine whether or not it is in the best interest of the County to offer tax abatement to a particular applicant. The applicant should endeavor to provide the most accurate information and estimates possible based upon available information. The applicant may be requested by the County to describe the methodologies utilized to respond to the questions and to supply supporting documentation.

5.02 Employment Impact

The applicant must provide detailed information answering the following inquiries:

- a) What is the estimated number of permanent, full-time new jobs that will be created in Ellis County?
- b) What is the estimated number of permanent, full-time jobs that will be retained in Ellis County?
- c) How many new, temporary and/or part-time jobs will be created in Ellis County?
- d) How many new, temporary and/or part-time jobs will be retained in Ellis County?
- e) What types of jobs will be created?
- f) What is the estimated multiplier effect on Ellis County's economy?

5.03 Employee Benefits

The Company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents.

5.04 Proposed Improvements

The applicant must provide detailed information answering the following inquiries:

- a) Identify and describe the kind, number and location of all proposed real property improvements to the property and discuss the development schedule of the proposed improvements and/or additions.
- b) To what extent, if any, will additional public infrastructure improvements be needed? Detail the plans, if any, in existence for the provision of such improvements.
- c) What governmental approvals or permits will be required for the improvements?
- d) Is the financial capital required to complete this project already available (i.e. financing commitments, reserved funds, etc.)? Explain in detail.

5.05 Fiscal Impact

The applicant must provide detailed information answering the following inquiries:

- a) What is the estimated cost of the proposed real property improvements?
- b) How much real property value will be added to the tax roll by the end of the abatement period?
- c) How much direct sales tax will be generated?
- d) What is the proposed depreciation schedule for real property to be abated?

5.06 Community Impact

The applicant must provide detailed information answering the following inquiries:

- a) What effect (approximately) will the proposed project have on the local housing market?
- b) What environmental impact, if any, will be created by the project? Environmental impact information must be provided noting any anticipated impacts of the project on the environments, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels and air quality. Additionally, the company must provide a written company policy on air quality mitigation.
- c) What will be the estimated impact on the local school districts in numbers of new students?
- d) What support services or products, if any, will the applicant be procuring from the local business community in the construction of real property improvements, and with regard to its operations?

5.07 The applicant must supply a legal description of any subject real property with an area location and adjacent property owners' identified to the County.

5.08 Pursuant to §312.003 of the Tax Code, information submitted in the application process is confidential, and not subject to public disclosure until the tax abatement agreement is granted or denied.

SECTION 6

GUIDELINES FOR LENGTH AND LEVEL OF ABATEMENT

6.01 When a determination has been made to offer tax abatement, the guidelines in section 6.02 below may be used to determine the length and level of that abatement. These guidelines reflect maximum percentages and years, and apply to both new facilities and expansion or modernization of existing facilities. The Ellis County Commissioners Court is not bound by the terms of these guidelines. The Ellis County Commissioners Court will determine eligibility as well as the percentage and length of abatement on a case-by case basis.

6.02

Maximum Percent of Value Which May Be Abated	Market Value (or)	New Full Time Employees	Maximum Years For Which Abatement May Be Granted
35%	1,000,000 – 2,500,000	26-50	3
40%	2,500,001 – 5,000,000	51-75	5
45%	5,000,001 – 10,000,000	76-100	7
50%	10,000,001 – 20,000,000	101-200	7
55%	20,000,001 – 35,000,000	201-300	7
60%	35,000,001 – 50,000,000	301-400	7
65%	50,000,001 – 65,000,000	401-500	7
70%	65,000,001 – AND OVER	501 – AND OVER	7

6.03 Deleted 11-06

- 6.04 If the market value of eligible improvements declines below the lower limit for eligibility for certain percentage abatement, then the abatement percentage to be applied shall be adjusted in accordance with the chart in Section 6.02. For example, if the market value of eligible improvements declines from \$70,000,000 to \$40,000,000, the abatement percentage shall decline from 70% to 60%. In no event shall an abatement percentage exceed the percentage agreed in the abatement agreement approved by the Ellis County Commissioners Court.

SECTION 7
PROCEDURAL GUIDELINE

- 7.01 Any person or entity desiring that Ellis County consider tax abatement on real property must comply with the following procedural guidelines. Nothing herein shall imply or suggest that the County is under any obligation to provide tax abatement, or provide any length and/or level/value of tax abatement to any applicant.
- 7.02 Any person or entity desiring that Ellis County consider tax abatement on real property within the corporate limits of a municipality located within Ellis County must first obtain tax abatement from the municipality wherein the property is located. At the time a person or entity desiring tax abatement begins negotiations with a municipality seeking tax abatement for new construction, or expansion and/or modernization, the municipality will make the Commissioner of the Precinct wherein the property is located aware of the process. If tax abatement will be requested from Ellis County, Ellis County's representative will be invited to make comments during the negotiations. Ellis County's representative will make the municipality aware of any concerns/changes prior to a final action by the municipality.
- 7.03 **Application Process**
The applicant shall submit a letter of application for tax abatement to the County Judge

for submission to the Commissioners Court. The application must:

- a) Give a detailed explanation of the proposed project (improvements to real property) with a description of creation/addition/retention of expected jobs; and,
- b) Address all criteria questions and information outlined in Section 5 above; and,
- c) Attach a current survey of the real property depicting the precise location of all proposed improvements and additions, along with a legal description of the real property where all improvements/additions will be located; and,
- d) Provide the name, address, telephone number, fax number and email address of the applicants as well as the contact persons, for purposes of the applications; and,
- e) Identify the type of business organization of the applicant (i.e. sole proprietorship, partnership, corporation, etc.) and any assumed or a trade name under which applicant operates: (i.e. Is the company in good standing and licensed to do business in Texas? If the company has an assumed name, where is the assumed name filed?), and,
- f) Provide documentation of the feasibility of the project (financing, etc.).
- g) In addition to the foregoing, the applicant shall complete the Ellis County Tax Abatement Worksheet, which is attached to these Tax Abatement Guidelines, Criteria and Procedures as Exhibit "A".
- h) All applications will be reviewed by the Commissioners Court's designee or designees for accuracy and completeness, and the applicant shall provide all verification of information provided or additional information requested by the Commissioners Court or its designee. When all such needed information has been provided, the application will be placed on the agenda for a meeting of the Commissioners Court for consideration.

- 7.04 The application shall be considered at a meeting of the Commissioners Court held in compliance with the Texas Open Meetings Act. If the abatement would involve the creation or expansion of a Reinvestment Zone, a public hearing must first be held in accordance with the procedures and notice required in Chapter 312 of the Tax Code. No applicant has a legal right or expectation to a favorable determination by the Commissioners Court.
- 7.05 The abatement, if granted, must be made pursuant to a tax abatement agreement which meets all of the requirements of law and is acceptable to the Commissioners Court. A tax abatement agreement must be approved by the Commissioners Court for execution by the County Judge before it can be effective. Any abatement is for County taxes only, and does not provide abatement from taxation by other entities in whose taxing jurisdiction the property may be located unless otherwise provided by state law.
- 7.06 The tax abatement agreement must contain all of the requirements of §312.402 of the Tax Code (V.T.C.A.), as amended.
- 7.07 Property owned or leased by a member of the Commissioners Court is not eligible for tax abatement.
- 7.08 A tax abatement granted by Ellis County to an applicant pursuant to this order may not be assigned to another person or entity seeking tax abatement without the approval of the Ellis County Commissioners Court. An application for an assignment of tax abatement

must be supported by a financial statement of the new person or entity seeking tax abatement.

SECTION 8
CERTIFICATION BY APPLICANT,
COMPLIANCE AUDITS, REVIEWS AND INSPECTIONS

- 8.01 Beginning on or before December 31st of the year which establishes "Base Year Value" for the agreement, and throughout the term of such agreement, the Owner will submit to the Ellis County Judge and the Ellis Central Appraisal District a statement annually, preferably on or before December 31st of each year, but no later than fifteen (15) days prior to the last date on which the Ellis Central Appraisal District may remove property from the tax rolls for exemption purposes, which provides the names and addresses of employees, number of jobs, dollar amount of payroll, type of equipment (if applicable) and the square footage of qualified facilities in the zone and all other information necessary to show compliance with the tax abatement agreement and the requirements of these Guidelines. This statement must also contain a certification by the Owner that all terms of the tax abatement and these Guidelines have been met by the Owner. The County shall have the right if it deems necessary to examine the Owner's appropriate records and to renegotiate or adjust the abatement based on the verified information provided by applicant's statement.
- 8.02 The County and/or the Ellis Central Appraisal District shall have the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith". If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.
- 8.03 Violations of the terms of the tax abatement agreement by the tax abatement recipient may result in the full or partial loss of the abatement and give rise to a right of the County to recoup taxes abated. Commissioners' Court may cancel the entire agreement, or modify it if the owner fails to comply with the terms of the agreement.

SECTION 9**AUTHORIZATION TO MODIFY PROCEDURES WHERE TAX ABATEMENT IN QUESTION INVOLVES PROPERTY IN A MUNICIPAL INVESTMENT ZONE**

- 9.01 When the abatement proposed involves property located within a municipal Reinvestment Zone for which the municipality has entered into a tax abatement agreement, the procedures for application, certification, review and audit may be modified by the County or its designee as follows:
- a) The County or its designee may allow the Owner/proponent's application to the municipality for tax abatement to be filed as that Owner/proponent's application to the County, by means of a letter from the applicant requesting abatement and offering the identical municipal application as his/her information submittal. Even if duplication of a municipal application is allowed, nothing will bar the County or its designee from requesting additional information from the applicant where deemed necessary.
 - b) The municipality's review of the veracity of the information submitted may be relied upon by the County without the unnecessary expense of duplication of efforts.
 - c) The investigation and evaluation of the project, project feasibility and project benefits made by the municipality may be relied upon by the County without the unnecessary expense of duplication of efforts; and
 - d) Post-agreement reviews conducted by the municipality to determine compliance with the application may be relied upon by the County without the need of incurring the unnecessary expense of duplication of efforts.
- 9.02 Notwithstanding Section 9.01 above, the County does not waive its rights to conduct inspections, reviews, audits, or to request information with regard to an applicant or abatement recipient.
- 9.03 Notwithstanding anything to the contrary above, the abatement recipient must make the annual certifications to the County required by Section 8.01 above regardless of whether the abatement recipient is also making such certifications to the City.

SECTION 10**REPORTING REINVESTMENT ZONES AND TAX ABATEMENT AGREEMENTS
NOTIFYING OTHER GOVERNMENTAL ENTITIES OF TAX ABATEMENT
AGREEMENT, AND MISCELLANEOUS PROVISIONS**

- 10.01 Pursuant to §312.005 of the Tax Code (V.T.C.A.), as amended, the County is required to deliver to the Texas Department of Commerce and to the State Comptroller before April 1 of the year following which a Reinvestment Zone is designated or a tax abatement agreement is executed a report providing all of the information required by §312.005. The County Judge or his or her designee is established as the County liaison with the State for

this purpose.

- 10.02 Pursuant to §312.2041 of the Tax Code (V.T.C.A.), as amended, the County is required to, not later than the seventh (7th) day before the date on which Ellis County enters into a tax abatement agreement, deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the County intends to enter into the agreement. The notice must include a copy of the proposed agreement.
- 10.03 Passage of these Tax Abatement Guidelines and Procedures shall amend and supersede all prior guidelines of the County, if any, governing this subject, but shall not affect the validity of tax abatement agreements of the County existing as of the date of the passage of these Tax Abatement Guidelines, Criteria and Procedures.
- 10.04 Any portion of these guidelines and procedures which shall be determined to be in violation of the Constitution or laws of this State or the United States shall not affect the remaining portion of the guidelines and procedures which shall remain in effect.

Approved by Commissioners Court
On August 12, 1996
Minute Order No. 96-188

Renewed, Reaffirmed, Reenacted
On July 13, 1998
Minute Order No. 98-192

Renewed, Reaffirmed, Reenacted
On July 10, 2000
Minute Order No. 20-213

Renewed, Reaffirmed, Reenacted
On November 12, 2002
Minute Order No. 405.02

Renewed, Reaffirmed, Reenacted
On October 11, 2004
Minute Order No. 397.04

Renewed, Reaffirmed, Reenacted
On November 13, 2006
Minute Order No. 457.06

Renewed, Reaffirmed, Reenacted
On February 23, 2009
Minute Order No. 145.09


Renewed, Reaffirmed, Reenacted
On February 28, 2011
Minute Order No. 135.11

Renewed, Reaffirmed, Reenacted
On August 25, 2011
Minute Order No.300.11

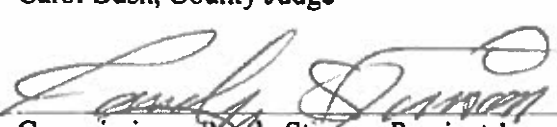
Renewed, Reaffirmed, Reenacted
On August 12, 2013
Minute Order No. 274.13

Renewed, Reaffirmed, Reenacted
On June 19, 2018
Minute Order No. 285.18

PASSED AND APPROVED IN OPEN COURT on this the 19th day of June, 2018.




Carol Bush, County Judge




Commissioner Hardy Stinson, Precinct 1



Commissioner Lane Grayson, Precinct 2




Commissioner Paul Perry, Precinct 3



Commissioner Kyle Butler, Precinct 4

Attest:



Cindy Polley, County Clerk



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(EXHIBIT A)
WORKSHEET FOR APPLICANTS
ELLIS COUNTY TAX ABATEMENT GUIDELINES

The Tax Abatement Guidelines, Criteria and Procedures for Ellis County is available online at the County's website (www.co.ellis.tx.us). The following Worksheet sets forth information from the Tax Abatement Guidelines to aid the applicant in providing the information necessary for the County Commissioners to vote on the abatement request.

The information required in this Worksheet will be used by the Commissioners' Court to determine whether it is in the best interest of the County to offer a tax abatement to a particular applicant. Please provide the most accurate information and estimates possible based upon available information. All applications will be reviewed by the Commissioners Court and its designee or designees for accuracy and completeness. The Commissioners Court or its designee may request additional information and documentation to support the methodologies utilized in response to the Worksheet. When all necessary information has been provided, the application will be placed on the Agenda for a meeting of the Commissioners Court for consideration.

A formal letter of application for tax abatement must be submitted to the County Judge, 101 W. Main Street, Historic Courthouse, Waxahachie, Texas 75165. The letter of application should generally describe the intended improvements for which an abatement is requested. The letter of application must contain the following attachments:

- a) A completed Worksheet, as provided below. In response to the specific items requested within the Worksheet, please provide as much detail as possible, including supporting documentation. If more space is needed, please supplement the Worksheet with the necessary information. The completed worksheet must be signed by an authorized representative of the applicant.
- b) A current survey of the real property depicting the precise location of all proposed improvements and additions, along with a legal description of the real property where all improvements/additions will be located.
- c) If the subject property located within the incorporated limits of a municipality, all documentation indicating that the subject property is located within a municipal reinvestment zone and that the municipality has entered into a tax abatement agreement with regard to the subject property.
- d) The name, address, telephone number, fax number and email address of the applicant as well as the contact persons, for purposes of the application.
- e) Documentation indentifying the type of business organization of the applicant (i.e. sole proprietorship, partnership, corporation, etc.) and any assumed or a trade name under which applicant operates. Additionally, documentation indicating that the company in good standing and licensed to do business in Texas. If the company has an assumed name, documentation pertaining to the filing of the assumed name.
- f) Documentation supporting the feasibility of the project (financing, etc.)

Employment Impact

Please provide detailed information answering the following inquiries:

- a) What is the estimated number of permanent, full-time new jobs that will be created in Ellis County?

- b) What is the estimated number of permanent, full-time jobs that will be retained in Ellis County?

- c) How many new, temporary and/or part-time jobs will be created in Ellis County?

- d) How many new, temporary and/or part-time jobs will be retained in Ellis County?

- e) What types of jobs will be created?

- f) What is the estimated multiplier effect on Ellis County's economy?

Employee Benefits

A health benefit plan must be offered to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. Please describe the health benefit plan:

Proposed Improvements

Please provide detailed information answering the following inquiries:

- a) Identify and describe the kind, number and location of all proposed real property improvements to the property and discuss the development schedule of the proposed improvements and/or additions.

- b) To what extent, if any, will additional public infrastructure improvements be needed? Detail the plans, if any, in existence for the provision of such improvements.

- c) What governmental approvals or permits will be required for the improvements?

- d) Is the financial capital required to complete this project already available (i.e. financing commitments, reserved funds, etc.)? Explain in detail.

Fiscal Impact

Please provide detailed information answering the following inquiries:

- a) What is the estimated cost of the proposed real property improvements?

- b) How much real property value will be added to the tax roll by the end of the abatement period?

- c) How much direct sales tax will be generated?

d) What is the proposed depreciation schedule for real property to be abated?

Community Impact

Please provide detailed information answering the following inquiries:

a) What effect (approximately) will the proposed project have on the local housing market?

b) What environmental impact, if any, will be created by the project? Environmental impact information must be provided noting any anticipated impacts of the project on the environments, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels and air quality. Additionally, the company must provide a written company policy on air quality mitigation.

c) What will be the estimated impact on the local school districts in numbers of new students?

d) What support services or products, if any, will the applicant be procuring from the local business community in the construction of real property improvements, and with regard to its operations?

Confidentiality

Pursuant to §312.003 of the Tax Code, information submitted to support an application for a tax abatement is confidential during the pendency of the application, and not subject to public disclosure until the tax abatement agreement is granted or denied.

Disclaimer

The undersigned declares that he/she is authorized to act on behalf of the applicant for the purpose of making this application, and further declares that the information contained within this document and the supporting documentation is true and correct."

Printed Name and Title

Signature as Authorized Representative

Name of Company or Corporation

Address (City, State, Zip Code)

Phone Number

Email Address

Please forward the completed packet to the attention of the:

County Judge
101 W. Main Street
Historic Courthouse
Waxahachie, Texas 75165.

Thank you for your interest in Ellis County.



Collin County Historical Commission
2300 Bloomdale Road, Suite 4192
McKinney, TX 75071

Collin County

Historic Property Tax Abatement Guidelines

Application for County Historic Landmark status

2017

**Application must be received by February 5 at the latest
Taxabatement@verizon.net**



Collin County Historical Commission

Historic Asset Survey Project - Introduction

Collin County has initiated a project to locate and catalog any and all historic sites in the county. The survey is being conducted using the criteria of the National Registry of Historic Places and Collin County will be the only county to undertake such a project on a county-wide basis. By making historic information available on the Web, residents, newcomers, corporate relocators and others will have a better appreciation of our history and growth.

Data for the historic sites will be collected by volunteers and made available on the County's web site under the Collin County Historical Commission's section. Locations will be entered on the county's GIS Interactive Map section of the web site, superimposed on aerial mapping visuals to provide the location of each site. By clicking on the site a visitor will get a specific location by address, GPS or UTM (Universal Transverse Mercator) coordinates and an actual view of the site. Many of the sites will also make available links to additional narrative data on the sites.

Potential sites will include cemeteries, buildings, event locations, and other historically significant locations. To assure the widest possible inclusion of sites contacts are being established with community leaders to assist in finding individuals who have an interest in local history and would be interested in volunteering to collect information on these sites.

To help complete this survey recommendations are requested from County Commissioners, City Councils, School Districts, Libraries, Chambers of Commerce, Historical Associations, Genealogical societies, Civic organizations, publications and others who can provide more information on sites to be included.

Please take a few minutes to make a list of those you think would be a good source of information for this important survey and forward those names to us by e-mail at:

Loydell Seward – Historic Assets Survey Project – Chairman
historicassets@aol.com – Phone – 972-784-6266

Joy Gough - Historic Property Tax Abatement - Chairman
taxabatement@verizon.net

We appreciate your help.

Collin County Historical Commission,
Paula Ross, Chairman



Collin County Historic Property Tax Abatement 2017

The Collin County Commissioners' Court charged the Collin County Historical Commission with overseeing the County Historic Property Tax Abatement program in 2010 and 2014.

Property Qualifications:

In order to qualify for Collin County Historic Property Tax Abatement, a historic structure must have been awarded at least one of the following designations:

- A. National Register of Historic Places awarded by the National Park Service or
- B. Recorded Texas Historic Landmark awarded by the Texas Historical Commission, or
- C. County Historic Landmark awarded by the Collin County Historical Commission.

The qualifications for County Historic Landmark Status and Historic Property Tax Abatement are as follows:

- The structure must be at least 50 years old or
- The structure is associated with persons or groups who were significant in the county's past, or
- The structure embodies the distinctive characteristics of a type, period, or method of construction, or represents the work of a master architect and/or craftsman, or possesses exceptional artistic value.

Any exterior structural changes or additions must be at least 50 years old.

All structures must be well maintained. No peeling paint. No rotting wood or missing shingles. Repairs should be in accordance with the historical integrity of the structure. No vinyl siding or aluminum windows, etc.

Submitting an application for County Historic Landmark status does not automatically qualify a property for Historic Property Tax Abatement. The Collin County Historical Commission will determine if the property fulfills all the necessary requirements.

The Historic Property Tax Abatement program is a subcategory of the Historic Assets Survey of the Collin County Historical Commission. A property that is approved for County Historic Landmark status will be recorded on the Collin County Historic Assets Survey map at <http://maps.collincountytx.gov/historical.html>



Historic Property Tax Abatement Application Instructions

Application for County Historic Landmark and Historic Property Tax Abatement Check List

1. Data Entry template - Available at: taxabatement@verizon.net
2. Narrative – use Microsoft Word, no pdfs, please
3. Photos, historic and current
4. Bibliography of source information
5. Name of the person (volunteer) submitting the application on both the application and the narrative
6. Applications received by December 25 will be processed the current year. Later applications will be processed the following year.
7. No genealogy of living people.

The application for Historic Property Tax Abatement requires two documents:

1. a completed Data Entry Template and
2. a narrative history of the property.

INSTRUCTIONS FOR COMPLETING THE HISTORIC PROPERTY DATA ENTRY TEMPLATE

For a copy of the Data Entry Template, go to taxabatement@verizon.net

Data Entry Template

This template must be used for the application.

SITE NAME :

Name: Enter the most identifiable name of a property. This is the name that will be used on the interactive county map. The same name must be used for the title of the narrative and on the data entry template.. In urban areas the city name and the street address may be used, i.e.: Wylie Ballard Street 310.

Common Name: Enter other names that have been used for the property, Smith Drugs.

Web link - If the site has its own website, provide the web address here.

LOCATION – ADDRESS

Street Address: Put the street and number here, such as Main Street 506

City: City or Town name if it is in one. If not, leave blank

Zip code: 5-digit zip code

State: All sites are in Texas..

(GPS or UTM): (Required) The Global Positioning System coordinates can be found on the Interactive map using these instructions:

- Access the county historical interactive map at: <http://gismaps.collincountytx.gov/historical.html>
- GPS can be obtained by putting cursor on green icon above map that contains the letters "xy" and clicking once. Drag cursor to site of location to be entered. Click again and coordinates will appear. (example: Lat:33°1'20" Lon:96°42'9")

INSTRUCTIONS FOR COMPLETING THE DATA ENTRY TEMPLATE
Contd

DATE

- **Current date-** This is the date the application is prepared.
- **Historic date-** Fill in the date of significance of the historic site. This is usually the date of origin, such as when a building was constructed.

CLASSIFICATION/CATEGORY/TYPE/SUB TYPE:

Classification - This field defines the original ownership, not the current ownership of the asset. Select from:

- Private
- Public-Local
- Public-State
- Public-Federal

Category: For tax purposes, it must be:

- Building

Type: Select from: **(For tax purposes)**

- Domestic
- Commercial/Trade

SUB-TYPE - Use these choices only.

Domestic (or residential)

Single dwelling

Multi-family (including duplex)

Commercial

Business

Professional

Financial institution

Specialty store

Department store

Restaurant

Warehouse

STATUS - Identify as "County Landmark" (for tax purposes)

GENERAL DESCRIPTION: Leave blank.

BIBLIOGRAPHY: List sources of information on site. List your name as contributor.

INDEX NO. Leave blank

SITE No. Leave blank.

NARRATIVE – Historic Property Tax Abatement applications are required to have a narrative.

INSTRUCTIONS FOR PREPARING THE NARRATIVE FOR HISTORIC PROPERTY TAX ABATEMENT

PREPARING THE NARRATIVE

The narrative is the history of the property seeking Historic Property Tax Abatement.

- The narrative should be written as a Word document, Times Roman font, size 12.
- A narrative can be as detailed as needed (ideally 2-3 pages, but more if needed).
- Include significant historical information about the property, its builders and original owners.
- Include information of early families that owned or resided at the property.
- Include a bibliography of sources. Sources may include written material or oral interviews.
- Include photos of the historic building, both historic and current. The photos can be included in the narrative or submitted separately.
- The narrative should end with the preparer's name. "Submitted by Jane Doe."
- No pdfs.

SUPPLEMENTAL INFORMATION

The completed application will be submitted electronically in two or more parts: Both the narrative and photos will be submitted separately from the data entry template

- Submit to taxabatement@verizon.net as e-mail attachments.
- The file names for the data entry template and the narrative should be the same as the name of the property: "Brown House."
- For the Data Entry Template, the file name ends in site.doc: "Brown House site.doc"
- For the narrative the file name ends in text.doc: "Brown House text.doc"
- All photos are in jpg format: Photos sent separately would need an explanation, such as Brown house 1912. The file names for the photos would be the same as for the other documents ending with jpg. "Brown House photo1.jpg"

Submit the data entry template and the narrative with photos to taxabatement@verizon.net or Collin County Historical Commission, 2300 Bloomdale Road, Suite 4192, McKinney, TX 75071.

IMPORTANT

Submitting an application does not automatically qualify a property for Historic Property Tax Abatement. The Collin County Historical Commission will determine if the property fulfills the necessary requirements.

Properties that are deemed eligible for Collin County Historic Property Tax Abatement must be well maintained. Inspections will be conducted annually. **Tax abatement may be denied for a year if the property has maintenance issues at the time of inspection.** It can be restored when an inspection determines that the maintenance issues have been corrected.

The submitted documents and data will be formatted by the Collin County Historical Commission and will be placed on the county interactive map found at <http://maps.collincountytx.gov/historical.html>

County Historic Landmark status stays with the property when the property is sold.

As of 2016 annual historic property tax abatement forms will be required by the county tax office. If you have not received a form from them by January 15, contact the county tax office.. Revised June 2017

Sample

Collin County Historical Commission Historic Asset Survey

Data Entry Template

Site Name: _____ Sample House _____

Common Name: _____ John Sample House _____

Web Link: _____

Location Address: _____ 314 Main Street, McKinney, TX _____ Street or rural address;

_____ 33.0000000 _____ 96.000000 _____

GPS: UTM; Longitude, Latitude if known]

Date-Current: _____ today's date _____ Historic Date: _____ date house was built _____

Classification: _____ Private _____

Category: _____ building _____

Type: _____ domestic _____ Sub Type: _____ single dwelling _____

Status: _____ county landmark _____

General Description: _____ leave blank _____

Bibliography: _____ (include in narrative) _____

Index Number: _____ leave blank _____ Site Number: NA

Volunteer Name: _____ John Doe _____

Sample narrative

Dr. John Sample House

Born in Sample Station, Alabama in 1850, Dr. Sample joined the Confederate Army at the very young age of 15, just as the war was winding down. Shortly after being discharged, he attended Oxford University in Mississippi and then dentistry school in Baltimore, Maryland, where he learned the profession he would practice for the rest of his life.

Around 1875 Dr. Sample married Ms. Betty Jones of Opalika, Alabama and in 1894 their only child was born, Mary Sample. It was at this same time the family moved to Paris, Texas, then to Plano before eventually settling in McKinney around 1900.

The Sample's first residence in McKinney was at 21 W. Brown Street as noted in the 1902 phonebook. By 1909 they had moved to 405 Brown Street, which is at the corner of Brown Street and Green Street. By 1917, after purchasing the property at 306 W. Brown Street (which is at the corner of Green Street and Brown) Street, the Samples razed the existing building and constructed the residence that stands there today.

Dr. Sample first set up his dentistry practice at 1-2 E Carolina Street, which is most likely where the old Movie theatre used to be. Sometime prior to 1909 Dr. Sample moved his practice to 1-2 N. Main Street before eventually moving to the Foote Building sometime before 1917. It was here that his dentist office stayed until his retirement and death some 10 years later.

Dr. Sample was a member of the Masons in McKinney, and was closely associated with many prominent members of the community. As a testament to this, at his funeral he had among his pallbearers the editor of the newspaper, F.C. Henry, Will Jones, Jeff Wilson (Wilson St.) and Fred Woods (Woods St.) all long standing citizens and prominent families of McKinney in the early days.

314 Main Street

The house itself is a modest two-story residence. Built at the top of a hill, it would have been notable at the time for its south facing second-story balcony, which has since been enclosed. The balcony affords the homeowner a towering view of the southeast part of McKinney. The Green Street and Main Street intersection where the house resides is but one short block over from Virginia Street and 2 blocks up from the courthouse. Living here, even by 1917 standards, would have meant you were a person of some standing.

The interior of the house is characteristic of the period, with a large, still functioning pocket door separating the dining room from the front parlor. The downstairs sitting room has the original fireplace and mantel, and as best we can tell, the original hand-painted decoration surrounding it. All the doors downstairs, and most upstairs, retain the original hardware. Many of the doors throughout the house have ornate 5 panel in-lay carvings, features many antique collectors would love to get their hands on.

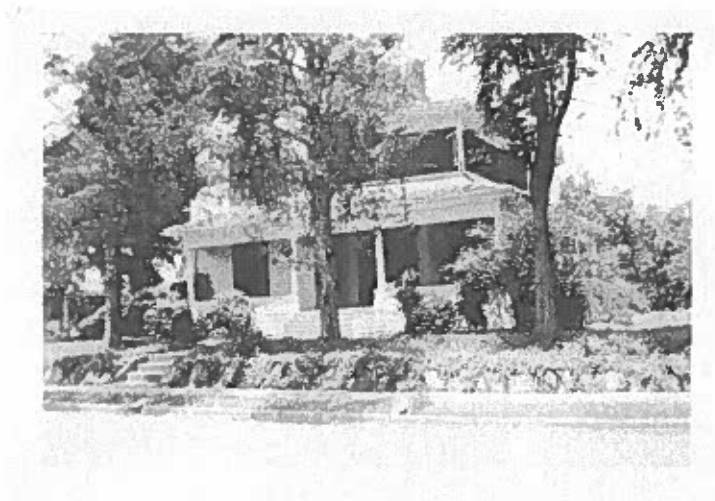
All the original flooring remains, including several varieties of red oak and cedar. The claw foot tub upstairs is period, but it's unknown whether it's original to the house or not. There is a small

detached wooden shed in the back, which we know from the Sanborn Maps was added sometime after 1952.

Submitted by John Doe

Source/Bibliography: Historical Marker Application, deed records, newspapers, obituaries, personal interviews

Photos past and present



Collin County Tax Abatement Certification

The Collin County Historic Properties Tax Abatement/Exemption Ordinance (Court order 85-097-2-14 amended by 88-576-06-27, amended 92-158-02-10, and further amended by Court order 2012-915-12-10) is adopted to allow for an exemption from payment of Collin County property taxes to provide incentive for the restoration and preservation of historic landmarks and structures. The Commissioners' Court charged the Collin County Historical Commission with overseeing the Tax Abatement program for the county.

