

## **TAX ABATEMENT GUIDELINES AND CRITERIA THROCKMORTON COUNTY, TEXAS**

The following are guidelines and criteria for any tax abatement granted by the Commissioners Court of Throckmorton County, Texas pursuant to the Texas Property Redevelopment and Tax Abatement Act (Chapter 312, Texas Tax Code, as it may be amended, from time to time, herein the "Act"):

### **1. GENERAL CRITERIA**

1.1. In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvements:

1.1.1. Must be property for which tax abatement can be granted pursuant to the Act.

1.1.2. Must add at least \$50,000.00 to the tax roll of the Throckmorton County, Texas (the "County").

1.1.3. Must be reasonably expected to yield, over the lifetime of the Tax Abatement Agreement, an amount not less than \$10,000.00 to the County in the form of new tax revenue or payments in lieu of taxes pursuant to a Tax Abatement Agreement.

1.2. Only the increase in the fair market value of the property directly resulting from the development, redevelopment and improvements specified in a Tax Abatement Agreement will be eligible for tax abatement.

1.3. The adoption of these guidelines and criteria by the Commissioners Court does not:

1.3.1. Limit the discretion of the Commissioners Court to decide whether to enter into a Tax Abatement Agreement that may not comply with all of these guidelines and criteria, nor shall it limit the ability of the Commissioners Court to waive any particular guideline or criteria, if, in the judgment of the Commissioners Court, such waiver is necessary to facilitate economic development, is required to effectively compete with other communities and is otherwise consistent with applicable law.

1.3.2. Create any property, contract or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for tax abatement or enter into a Tax Abatement Agreement.

### **2. DEFINITIONS**

2.1. As used in these guidelines and criteria any term which is not specifically defined herein, shall have the meaning assigned to it in the Act or other provisions of the Texas Tax Code. The following terms shall have the respective meanings assigned to them below:

2.1.1. "Commissioners Court" shall refer to the Commissioners Court of Throckmorton County, Texas.

2.1.2. "County" means Throckmorton County, Texas.

2.1.3. "Reinvestment Zone" means a particular area located in the County which meets the criteria specified in the Act for designation as a reinvestment zone and which has been designated by the Commissioners Court as a reinvestment zone.

2.1.4. "Tax Abatement Agreement" means a contractual agreement between a property owner and/or lessee and the County providing for the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated by the County for economic development purposes in accordance with the Act.

### 3. TAX ABATEMENT AUTHORIZED

3.1. Eligible Property. Tax abatement may only be granted for taxable property for which tax abatement is permitted pursuant to Chapter 312 of the Texas Tax Code.

3.2. Factors that May be Considered in Determining Whether to Grant Tax Abatement. The Commissioners Court, in evaluating an application for tax abatement, may consider any of the following factors, among others, in determining whether to grant tax abatement:

3.2.1. Value of existing improvements, if any;

3.2.2. Type and value of proposed improvements;

3.2.3. Productive life of proposed improvements;

3.2.4. Number of existing jobs to be retained by proposed improvements;

3.2.5. Number and type of new jobs to be created by proposed improvements;

3.2.6. Amount of local payroll to be created;

3.2.7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;

3.2.8. Amount by which property tax base valuation will be increased during and after the term of an Abatement Agreement;

3.2.9. The costs to be incurred, by the County to provide services and infrastructure required by the new improvements;

3.2.10. The amount of *ad valorem* taxes or payments in lieu of taxes to be paid to the County during the tax abatement period considering (a) the existing values, (b) the percentage

of new value abated, (c) the tax abatement period, and (d) the value after expiration of the tax abatement period;

3.2.11. The population growth of the County that occurs directly as a result of new improvements;

3.2.12. The types and values of public improvements, if any, to be made by the applicant seeking tax abatement;

3.2.13. Whether the proposed improvements compete with existing businesses to the detriment of the local economy,

3.2.14. The impact on the business opportunities of existing business;

3.2.15. The attraction of other new businesses to the area; and/or

3.2.16. Whether the project obtains has the necessary permits from any applicable federal or state governmental agencies.

3.3. Discretion of Commissions Court; No Right to Tax Abatement. After its review, tax abatement may, in the sole and absolute discretion of the Commissioners Court, be denied entirely or may be granted to the extent deemed appropriate. No person shall have any property right or entitlement to tax abatement. Even a project that appears to favorably address each of the factors stated above may be denied by the Commissioner's Court, in its sole and absolute discretion, for any reason or for no reason at all.

#### 4. APPLICATION PROCESS

4.1. Application. Any present or potential owner of taxable property in the County may request the creation of a Reinvestment Zone and tax abatement by filing a written application with the County Judge of Throckmorton County. The requirement for a written application and an application fee may be waived by the County if deemed appropriate by the Commissioners Court.

4.2. Application Contents; Costs. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Tax Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In addition to the foregoing, the County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. Unless waived by the Commissioners Court, the completed application must be accompanied by the payment of a nonrefundable application fee for administrative costs associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. For Tax Abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00, the fee shall be One Thousand and No/100 Dollars (\$1,000.00). For requests with

a planned value of less than \$1,000,000.00, the fee shall be five hundred and no/100 Dollars (\$500.00).

## 5. TAX ABATEMENT AGREEMENT

5.1. Terms of Tax Abatement Agreement. The Commissioners Court shall memorialize the terms of any tax abatement granted in a Tax Abatement Agreement that contains those terms and conditions deemed advisable by the Commissioners Court and those provisions required by applicable law including the following:

5.1.1. A list of the kind, number and location of all proposed improvements to the property;

5.1.2. Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Abatement Agreement;

5.1.3. Limit the use of the property consistent with the taxing unit's development goals;

5.1.4. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Abatement Agreement to each taxing unit;

5.1.5. Provide that the County shall have those remedies given to taxing units by the Act; and

5.1.6. All other terms and conditions not inconsistent with applicable law which are, in the judgment of the Commissioners Court, necessary or prudent.

## 6. RECAPTURE

6.1. Following Default. In the event that the applicant or its assignee violates any of the terms and conditions of the Tax Abatement Agreement and fails to cure within any agreed upon cure period, the County shall be entitled to the remedies available to taxing units under the Act including, the recapture of property taxes abated.

6.2. Following Assignment to Non-taxable Entity. In the event all or any portion of a Tax Abatement Agreement is assigned to a non-taxable entity, the County shall be entitled to recapture all property tax abated under that Tax Abatement Agreement unless the Commissioners Court and the applicant have agreed to some compromised provision with respect to the recapture of taxes abated under these circumstances.

## 7. ADMINISTRATION

7.1. Notwithstanding the execution of a Tax Abatement Agreement the Chief Appraiser of the Throckmorton County Appraisal District will annually determine the value of all property

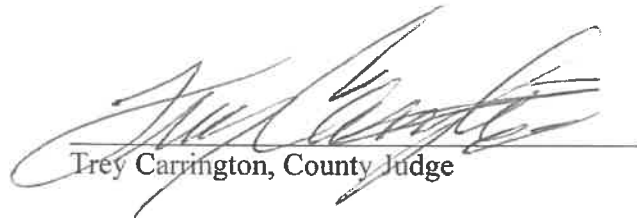
which is the subject of a Tax Abatement Agreement. Each year during the term of a Tax Abatement Agreement, the taxpayer shall furnish the appraiser with all information that is otherwise required to be furnished by a taxpayer under the Texas Tax Code if no Tax Abatement Agreement were in effect. The Chief Appraiser will provide notice of the Tax Abatement Agreement to the Comptroller of Public Accounts of the State of Texas as required by the Act.

## 8. SUNSET PROVISION

8.1. These guidelines and criteria are effective upon the date of their adoption and shall remain in force for two (2) years from the date of adoption, unless amended within that two-year period by 3/4ths vote of the Commissioners Court.

ADOPTED AND APPROVED by a resolution and order adopted by the Commissioners Court on the June 22, 2020.

APPROVED:



Trey Carrington, County Judge

ATTEST:

Dianna Moore, County Clerk

By Dianna Moore