

# WILLIAMSON COUNTY TAX ABATEMENT POLICY

## ~~RECOMMENDED~~ RESOLUTION

### A RESOLUTION ADOPTING GUIDLEINES AND CRITERIA GOVERNING REINVESTMENT ZONES AND TAX ABATEMENT AGREEMENTS WITHIN WILLIAMSON COUNTY, TEXAS.

- WHEREAS,** the County of Williamson must compete with other counties across the State and across the Nation currently offering tax abatements and other incentives to attract new industry or to keep existing industry; and
- WHEREAS,** new jobs and industries will benefit the local economy, strengthen the real estate market, and generate future tax revenue; and
- WHEREAS,** pursuant to Section 312.002 and 312.401 of the Texas Property Tax code, V.A.T.S., the County may not designate an area as a reinvestment zone and may not enter into an abatement agreement unless the Commissioner's Court has established guidelines and criteria governing tax abatement agreements, Now Therefore

### BE IT RESOLVED BY THE COMMISSIONER'S COURT OF WILLIAMSON COUNTY, TEXAS

That the following guidelines and criteria governing tax abatement agreements within Williamson County are hereby adopted.

#### SECTION 1. AUTHORIZATION FO ABATEMENT

- A. Economic Qualifications: In order for the owner of property within a reinvestment zone to be eligible to receive a tax abatement, the owner must show that the planned project will:
1. be a major investment on the zone that will substantially increase the appraised value of property within the zone; and
  2. contribute to the retention or expansion of primary and secondary employment within the County.
  - ~~2.~~ 3. provide for affordable health insurance for individuals employed by project.
- B. Creation of New Value: An abatement may be granted for lonely the increased taxable value of the eligible property, property improvements, or business personal property made subsequent to and listed in an abatement agreement between the County and the property owner and lessee (if required), subject to such limitations as the County may require.

- C. Agricultural Exemptions Denied: No tax abatement shall be granted for any property unless and until full market value taxes have been paid for the five years prior to the execution of a tax abatement agreement.
- D. Industrial Districts: No tax abatement shall be granted for any property included in an Industrial District.

E. Tax Increment Financing Districts: No tax abatement shall be granted for any property included in a Tax Increment Financing District.

FE. Eligible Property: Tax abatement agreements may exempt from taxation all or part of the increase in the value of the property over its value in the year in which the agreement is executed.

GF. Owned/Leased Facilities: If a leased facility is granted abatement, the tax abatement agreement shall be signed by both the lessor and the lessee.

HG. Value and Term of Abatement: Abatement shall be granted effective on a mutually agreed upon date, January 1 of the year following the date of execution of the tax abatement agreement. The percentage of the increase abated shall be determined in each tax abatement agreement; however, no tax abatement agreement shall exceed ten (105) years.

## SECTION II PUBLIC HEARING AND APPROVAL

- A. Prior to entering into any tax abatement agreement, the County may, at its sole option, hold a public hearing at which interested persons shall be entitled to speak for or against the approval of the tax abatement agreement.
- B. Before approving any tax abatement agreement, the County must find that the terms of the proposed agreement meet these guidelines and criteria and that:
1. there will be no substantial adverse affect on the provision of county services or in its tax base; and
  2. the planned use of the property will not constitute a hazard to public safety, health, or welfare.

## SECTION III AGREEMENT

In addition to the specific requirements of Sections 312.205 and 312.402 of the Property Tax Code, the tax abatement agreement shall include but not be limited to the following:

1. an estimated the amount of increase to be abated and the current taxable value of the property;
2. a percent of increase to be abated each year, designated by specific year;
3. a commencement and expiration date of abatement;
4. a proposed use of improvement, nature of construction, time schedule, map, and

property description; and

5. the ~~estimated~~ number of jobs involved per year for the life of the tax abatement agreement.

#### **SECTION IV ASSIGNMENT**

Tax abatement agreements may be assigned to a new owner or lessee of the improvements with the written approval of the County, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all duties and obligations of the assignor as set out in the agreement. No assignment shall be approved if the assignor or assignee is indebted to the County for ad valorem taxes or other obligations.

#### **SECTION V AMENDMENTS TO GUIDLEINES**

This Resolution can be amended and added to upon action of the Commissioner's Court, and is effective upon the date of it's adoption and will remain in force ~~for two (2) years until amended by the Commissioner's Court, at which time all Reinvestment Zones and tax abatement agreements created pursuant to it's provisions will be reviewed by the County to determine whether the goals have been achieved.~~

These guidelines and criteria are mutually exclusive of existing Industrial District agreements.

RESOLVED this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Dan A. Gattis, County Judge

ATTEST:

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Nancy Rister, County Clerk