

## Sec. § 312.002

# Eligibility of Taxing Unit to Participate in Tax Abatement

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(a)

A taxing unit may not enter into a tax abatement agreement under this chapter and the governing body of a municipality or county may not designate an area as a reinvestment zone unless the governing body has established guidelines and criteria governing tax abatement agreements by the taxing unit and a resolution stating that the taxing unit elects to become eligible to participate in tax abatement. The guidelines applicable to property other than property described by Section 312.211(a) must provide for the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

(b)

The governing body of a taxing unit may not enter into a tax abatement agreement under this chapter unless 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.

(c)

The guidelines and criteria adopted under this section are effective for two years from the date adopted. During that period, the guidelines and criteria may be amended or repealed only by a vote of three-fourths of the members of the governing body.

(d)

The adoption of the guidelines and criteria by the governing body of a taxing unit does not:

(1)

limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;

(2)

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; or

(3)

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.

(e)

The guidelines and criteria adopted by the commissioner's court of a county may include a requirement that an application or request for tax abatement submitted to the county under this chapter must be accompanied by a reasonable application fee not to exceed \$1,000.

(f)

On or after September 1, 2001, a school district may not enter into a tax abatement agreement under this chapter.

(g)

"Taxing unit" has the meaning assigned by Section 1.04, except that for a tax abatement agreement executed on or after September 1, 2001, the term does not include a school district that is subject to Chapter 42, Education Code, and that is organized primarily to provide general elementary and secondary public education. Added by Acts 1989, 71st Leg., ch. 2, Sec. 14.07(a), eff. Aug. 28, 1989. Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 1, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 20, Sec. 22, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 391, Sec. 26, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 836, Sec. 9.2, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., Ch. 347, Sec. 4.13(2), eff. May 31, 1993; Acts 1997, 75th Leg., Ch. 855, Sec. 9, eff. Sept. 1, 1997; Acts 1997, 75th Leg., Ch. 1333, Sec. 1, eff. Sept. 1, 1997; Acts 2001, 77th Leg., Ch. 1029, Sec. 3, eff. June 15, 2001; Acts 2001, 77th Leg., Ch. 1145, Sec. 1, eff. June 15, 2001; Acts 2003, 78th Leg., Ch. 1275, Sec. 2(124), eff. Sept. 1, 2003.

This was not what I was thinking it was but here it is! This is the section relating to Tax Abatement under Section 312.002. The subsection c-1 and c-2 is what they just added during the 86<sup>th</sup> legislature. The new subsections are as follows:

(c-1) Before the governing body of a taxing unit may adopt,

amend, repeal, or reauthorize guidelines and criteria, the body  
must hold a public hearing regarding the proposed adoption,  
amendment, repeal, or reauthorization at which members of the  
public are given the opportunity to be heard.

(c-2) A taxing unit that maintains an Internet website shall  
post the current version of the guidelines and criteria governing  
tax abatement agreements adopted under this section on the website.