

Lavaca County Resolution

Establishment of Amended Guidelines and Criteria for Entering Into Tax Abatement Agreements

WHEREAS, the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) provides that a County may consider providing tax abatements for new facilities and structures and for expansion or modernization of existing facilities and structures; and

WHEREAS, by resolution passed and approved on December 13, 2010, the Commissioners' Court of Lavaca County gave notice of its intent to consider providing tax abatements for new development and investments in Lavaca County meeting guidelines and criteria to be adopted by the Commissioners Court, as allowed under Chapter 312 of the Texas Tax Code; and

WHEREAS, under Chapter 312 of the Texas Tax Code, certain guidelines and criteria are necessary prior to the creation of a reinvestment zone or entering into a tax abatement agreement; and

WHEREAS, the Commissioners Court of Lavaca County finds and determines that the guidelines and criteria as hereinafter set out are in the best interest of Lavaca County to encourage certain types of development to the exclusion of others; and

WHEREAS, the Commissioners Court of Lavaca County affirms its absolute discretion to approve and/or reject any application for tax abatement, whether or not an application meets the guidelines as herein stated; and

WHEREAS, the Commissioners Court of Lavaca County finds and determines that it should consider applications for tax abatement and enter into tax abatement agreements which provide for abatements under criteria established by other taxing entities without County participation.

NOW, THEREFORE, BE IT ENACTED BY THE COMMISSIONERS COURT OF LAVACA COUNTY:

Section 1:

Pursuant to the provisions of Section 312.002(d) of the Texas Tax Code, the Commissioners' Court of Lavaca County does hereby adopt the following guidelines and criteria for the Commissioners Court to consider and/or to enter into a tax abatement agreement:

Section 2.

The property subject to the abatement must be located within Lavaca County. Eligible businesses shall include any business duly authorized to operate in the State of Texas and eligible under the provisions of Chapter 312 of the Texas Tax Code, the Texas Property Redevelopment and Tax Abatement Act, the provisions of which are hereby incorporated.

Section 3.

Eligible activities for which an abatement may be granted shall include the lesser of either: (i) the additional assessed value over the base year value; or (ii) actual investment resulting from construction and/or acquisition of fixed assets.

Section 4.

The abatement formula that may be permitted in any abatement agreement for eligible properties valued from \$250,000 to \$500,000 and will prevent the loss of employment, retain or create employment for at least three (3) people, shall be:

- 1) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.
- 2) Year one (1) will be one hundred percent (100%) abatement.
- 3) Year two (2) will be seventy five percent (75%) abatement.
- 4) Year three (3) will be fifty percent (50%) abatement.
- 5) Year four (4) will be twenty -five percent (25%) abatement.
- 6) Year five (5) will be ten percent (10%) abatement.
- 7) Year six (6) the abatement expires and all taxes are paid.

Section 5.

The abatement formula that may be permitted in any abatement agreement for eligible properties valued from \$500,000 to \$1,000,000 and will prevent the loss of employment, retain or create employment for at least seven (7) people, shall be:

- 1) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.
- 2) Year one (1) will be one hundred percent (100%) abatement.

- 3) Year two (2) will be one hundred percent (100%) abatement.
- 4) Year three (3) will be seventy-five percent (75%) abatement.
- 5) Year four (4) will be fifty percent (50%) abatement.
- 6) Year five (5) will be twenty-five percent (25%) abatement.
- 7) Year six (6) the abatement expires and all taxes are paid.

Section 6.

The abatement formula that may be permitted in any abatement agreement for eligible properties valued more than \$1,000,000 and will prevent the loss of employment, retain or create employment for at least ten (10) people, shall be:

- 1) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.
- 2) Year one (1) will be one hundred percent (100%) abatement.
- 3) Year two (2) will be one hundred percent (100%) abatement.
- 4) Year three (3) will be one hundred percent (100%) abatement.
- 5) Year four (4) will be fifty percent (50%) abatement.
- 6) Year five (5) will be twenty-five percent (25%) abatement.
- 7) Year six (6) the abatement expires and all taxes are paid.

Section 7.

The Commissioners Court reserves the right to offer different terms in furtherance of the public interest. Conditions which justify non-standard terms and percentages of abatement include projects over \$10,000,000 of value.

Section 8.

The Commissioners Court may consider an application for abatement when entering into a tax abatement agreement which provides for no abatement to be granted by the County, but which provides for an abatement to be granted by other taxing entities to the extent of the limitations provided under their guidelines and criteria.

Section 9.

Any application or request for a tax abatement submitted to the Commissioners Court under these guidelines and criteria is subject to a \$1,000 application fee, pursuant to Section 312.002 (e) of the Tax Code.

ADOPTED THE 14th DAY OF March, 2011.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE COMMISSIONERS COURT:


Tramer J. Woytek
Lavaca County Judge


Charles A. Netardus
Lavaca Co. Commissioner Precinct 1

ABSENT


Ronald Berckenhoff
Lavaca Co. Commissioner Precinct 2


David E. Wagner
Lavaca Co. Commissioner Precinct 3


Dennis Kocian
Lavaca Co. Commissioner Precinct 4

Attest:


Elizabeth A. Kott
Lavaca County Clerk

