

# **Policy on Tax Abatement and Other Economic Development Incentives for the County of Hamilton, Texas**

## **Section A. Purpose**

The County of Hamilton, Texas (County hereinafter) is committed to the promotion of economic development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider providing tax abatement and/or other incentives to stimulate economic development in the County. It is the policy of the County that such incentives will be provided to appropriate businesses in accordance with the procedures and criteria outlined in this document. However, nothing in this policy shall imply or suggest, or be construed to imply or suggest, that the County is under any obligation to provide any incentive to any applicant. All such applicants for tax abatement and/or other economic incentives shall be considered on an individual basis.

## **Section B. General Information relating to Tax Abatements and Reinvestment Zones**

1. Abatement agreements may be up to 100% or can be set at any amount as determined by the Hamilton County Commissioners Court.
2. A County Reinvestment Zone, with boundaries which contain the precise location of the proposed project, must be approved by the Hamilton County Commissioners Court prior to the approval and execution of any Tax Abatement Agreement.
3. Reinvestment Zones have a maximum statutory term of 5 years.
4. Tax abatement agreements, therefore, generally will not be approved for a term greater than 5 years.

## **Section C. Application Requirements**

The following are required to be contained within any application submitted to the Hamilton County Commissioners Court.

1. The Application must contain a legal description for the proposed reinvestment zone. Such may be in the form of an existing survey prepared by a licensed surveyor or be a copy of a deed describing the land to be designated as the reinvestment zone.
2. The Application must contain a survey plat prepared by a licensed surveyor performed within 24 months preceding the submission of the application.
3. The Application must propose a minimum investment of \$500,000.00 in real property improvements, personal property improvements which are permanently affixed to the

land (fixtures), or a combination of the two. Other types of personal property such as inventory or supplies may not be included in the proposed minimum of \$500,000.00 investment.

4. The Application must contain a description of the proposed improvements which provide a sufficient level of detail for the Hamilton County Commissioners Court to determine the scope and nature of the project.
5. The Application must state the proposed percentage of tax abatement requested.
6. The Application must state the proposed length of the requested tax abatement.
7. The Application must state the proposed commencement date of the requested tax abatement.
8. The Application must contain a cost-benefit analysis which focuses on the anticipated amount of tax revenue which the Applicant is requesting the Hamilton County Commissioners Court to forego during the abatement period. The analysis should compare the anticipated total tax revenue which would be generated by the project over a 20-year period without any tax abatement and the anticipated total tax revenue which would be generated by the project over a 20-year period with the requested tax abatement.
9. The Application must meet all existing requirements of Chapter 312 of the Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act.

**Section D: Eligibility Requirements for Tax Abatement or Other Economic Development Incentives**

In addition to the Application Requirements listed in Section C above, the Applicant must meet the following criteria to be eligible for Tax Abatement or Other Economic Development Incentives:

1. The Applicant shall create and maintain for the term of the abatement agreement, 1 new permanent full-time employment position for each \$500,000.00 of abated property improvements.
2. All new permanent full-time employment positions shall be filled within the first six months from commencement date and located primarily in Hamilton County, Texas.
3. When relevant, the Applicant will be required to enter into a Road Use Agreement prior to the execution of any abatement agreement. The Applicant must agree to fully fund repairs or reimburse the County for any damages caused to county roads by the Applicant, project contractors, sub-contractors, or their designees, during the construction, operational and decommissioning phases of the abated project.
4. When relevant, the Applicant will be required to provide TCEQ certification or other form of environmental impact study prior to execution of any abatement agreement.

5. Applicants for wind, solar or similar types of projects must provide a detailed decommissioning plan explaining anticipated decommissioning timelines and estimated decommissioning costs for the abatement project. This Plan must be submitted prior to the execution of any abatement agreement.
6. When relevant, the Applicant shall be required to provide an appropriate Bond to ensure that future decommissioning of the project is fully funded. This Bond must be submitted prior to the execution of any abatement agreement.
7. The Applicant shall certify annually that the Applicant's abated project is in compliance with each covenant of the abatement agreement. Written certification with supporting document(s) must be presented to the Hamilton County Commissioners Court, either in person or by a designated representative, at a regular meeting of the Commissioners Court in the months of January or February during each year of the abatement agreement.
8. The project must meet all applicable County regulations and requirements, as well as all City codes when the project is located within the city limits or extraterritorial jurisdiction of county municipalities.
9. When relevant, the Applicant shall be required to provide funding for any specialized training for Volunteer Fire Fighters, Emergency Medical Service personnel, and other first responders when extraordinary hazardous conditions associated with the nature of the project are known to exist.

**Section E. Other Criteria to be Considered Prior to Execution of an Abatement Agreement**

In addition to the application and eligibility requirements stated in Section C. and D. above, the following criteria will be considered by the Hamilton County Commissioners Court in determining (a) if the requested tax abatement is in the best interest of the citizens of Hamilton County, Texas; and (b) what duration and level of tax abatement or other incentives should be granted, if any.

1. Expansion of the local tax base.
2. The number of permanent full-time employment positions created which are located primarily in Hamilton County, Texas.
3. The number of permanent part-time employment positions created which are located primarily in Hamilton County, Texas.
4. The types and cost of public improvements (e.g., streets, water, sewer, drainage) and services (e.g., fire, police) which will be required of the City and County, and the extent the applicant will compensate the governmental entity for damage to any public improvements which result from the construction activities of the applicant or its contractors/ sub-contractors.
5. The types and cost of public improvements which will be made by the applicant.

6. The type of Commercial activity (e.g., office, retail, etc.).
7. The amount of time necessary to complete the project.
8. If the tax abated property may be sold or otherwise transferred during the abatement period.
9. The length of the abatement period.
10. The extent to which the proposed project carries out the goals and objectives of the Hamilton County Commissioners Court.
11. The impact on the environment.
12. The specific years the abatement period will commence and end.
13. Community perception of the project and impact on existing businesses.
14. Salary ranges and benefits provided for any new employees.

#### **Section F. Application Procedures**

Any person, organization, joint venture, partnership, association, or corporation desiring that the County consider providing tax abatement and/or other economic development incentives to encourage the location of a business or expand a business operation in the County must comply with the following application procedures.

1. The Applicant shall submit an application (See Attachment) with the office of the County Judge, which meets the minimum criteria stated in Section C. of this policy,
2. Each application shall be accompanied by the documents referenced in Section C.1 and C.2 and C.8. attached to said application.
3. The application will be reviewed by the County Judge (or designee) for completeness and accuracy.
4. Once the County Judge (or designee) has determined that all the required information has been included, the application will be placed on an Agenda for a Meeting of the Hamilton County Commissioners Court for discussion and/or action.
5. Applications for tax abatement or other economic development incentives will be denied if the County finds that the application for abatement was submitted after the commencement of construction, alteration or installation of any improvements which are the subject of the Application.
6. In the event construction has commenced prior to submitting an application for tax abatement, the Applicant may tender proof that such construction activities have ceased and submit a reliable appraisal of the value of the property pre-abatement which accounts for the already accomplished construction activities (either by the Hamilton Central Appraisal District or private appraiser) in order to have the Hamilton County Commissioner's Court re-consider the Application.

**Section G. Approval of Tax Abatement Agreement and Other Economic Development Incentives by the Commissioners Court.**

If the Hamilton County Commissioners Court determines that it is in the best interest of the citizens of Hamilton County, Texas to provide tax abatement incentives to a particular applicant, a resolution shall be adopted approving the terms and conditions of a tax abatement agreement or other economic development incentive agreement, which will enumerate the types of incentives to be provided, and the requirements and conditions which are applicable to them.

Any tax abatement agreement or economic incentive agreement must include at least the following items:

1. A description of each of the types of incentives to be provided with the commencement date and duration.
2. A legal description of the property to be designated as a reinvestment zone.
3. A legal description with attached survey plat of property on which the agreement will operate.
4. Detailed information regarding the type, number, location, and cost of all improvements on the property.
5. A provision that provides access to and inspection of the property and proposed improvements to ensure that the improvements are made according to the specifications and conditions of the agreement.
6. A provision limiting the uses of the property and consistent with the general purpose of encouraging development or redevelopment of the zone during the period that the property tax abatement or other economic development incentives are in effect.
7. A provision which makes the agreement void and all previously abated taxes due and payable in the event the Applicant fails to comply with any covenant of the agreement.
8. A provision requiring the Applicant to create and maintain for the term of the abatement agreement, 1 new permanent full-time employment position for each \$500,000.00 of abated property improvements.
9. A provision that all new permanent full-time employment positions shall be filled within the first six months from commencement date and be located primarily in Hamilton County, Texas.
10. A provision that the Applicant be required to certify annually that the Applicant's abatement project is in compliance with each covenant of the agreement. (See Section D.7. of Policy)
11. A provision that the project must meet all applicable County regulations and requirements, as well as all City codes when the project is located within the city limits or extraterritorial jurisdiction of county municipalities.
12. When relevant, a provision requiring the Applicant to provide funding for any specialized training for Volunteer Fire Fighters, Emergency Medical Service personnel, and other

first responders, when extraordinary hazardous conditions associated with the nature of the project are known to exist.

13. Attach Road Use Agreement when relevant.
14. Attach Environmental Certification or Impact Study when relevant.
15. Attach Decommissioning Plan when relevant.
16. Attach Decommissioning Bond when relevant.

**Section H. Duration of Guidelines**

The guidelines and criteria adopted herein shall be effective from the date they are adopted by the Commissioners' Court and shall remain in effect for 2 years unless otherwise repealed or modified by a ¾ vote of the Commissioners' Court.

The forgoing Resolution was adopted on this the 23 day of MAY, 2023, by a vote of 4 ayes and 0 nays, YATES ABSTAINED.

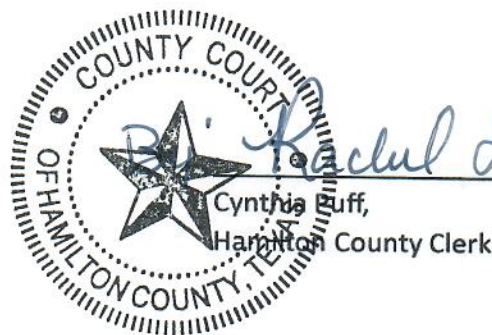
\_\_\_\_\_  
James Yates,  
Hamilton County Judge

Johnny Wagner  
Johnny Wagner,  
County Commissioner, Precinct 1

Keith Allen Curry  
Keith Allen Curry,  
County Commissioner, Precinct 2

Lloyd Huggins  
Lloyd Huggins,  
County Commissioner, Precinct 3

Dickie Clary  
Dickie Clary,  
County Commissioner, Precinct 4



Kaciul Lamb Geeslin  
Kaciul Lamb Geeslin,  
Hamilton County Clerk

# Application for Tax Abatement

Now Comes \_\_\_\_\_,  
a person or entity with an ownership or possessory interest in the tract of real property located in Hamilton County, Texas and respectfully requests that the Hamilton County Commissioners Court enter into a tax abatement agreement with Applicant concerning said property, and would show the following:

1. Legal description for the proposed reinvestment zone: The legal description for the proposed reinvestment zone may be found in:

(Check applicable)

\_\_\_\_\_ Deed recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ of the Real Property Records of Hamilton County, Texas: or

\_\_\_\_\_ Deed or Survey attached hereto as Exhibit A.

Such real property is commonly known by the following mailing address:

\_\_\_\_\_

Such real property is further identified by the Hamilton Central Appraisal District

Property ID#s: \_\_\_\_\_

2. Survey Plat: A survey plat prepared by a licensed surveyor and performed within 24 months preceding the submission of this application is attached hereto as Exhibit B.
3. The amount of the proposed investment in:  
Real Property Improvements:       \$ \_\_\_\_\_  
Personal Property Improvements:   \$ \_\_\_\_\_
4. A written description (including photos, drawings, etc. as may be relevant) of the proposed improvements has been attached hereto as Exhibit C.

5. The proposed percentage tax abatement requested: \_\_\_\_\_ %.
6. The proposed length of the requested tax abatement: \_\_\_\_\_ years.
7. The proposed commencement date of the requested tax abatement: \_\_\_\_\_
8. A cost-benefit analysis must be attached hereto as Exhibit D, that focuses on the anticipated amount of tax revenue which the Applicant is requesting the Hamilton County Commissioners Court to forego during the abatement period. The analysis should compare the anticipated total tax revenue which would be generated by the project over a 20-year period without any tax abatement and the anticipated total tax revenue which would be generated by the project over a 20-year period with the requested tax abatement.
9. Additional facts and information required by existing requirements of Chapter 312 of the Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act, or which Applicant feels are otherwise relevant to the Hamilton County Commissioners Court's evaluation of this Application, must be attached hereto as Exhibit E.

Date: \_\_\_\_\_

Printed Name of Applicant: \_\_\_\_\_

Signature of Applicant/Agent: \_\_\_\_\_



*Hamilton County Commissioner's Court*

*Regular Session*

*Tuesday, May 23, 2023*

*9:00 a.m.*

*Hamilton County Commissioner's Court met on Tuesday, May 23, 2023, at 9:00 a.m. with the following members present: County Judge James Yates, Commissioners Johnny Wagner, Keith Curry, Lloyd Huggins and Dickie Clary. Judge Yates called the meeting to order and a quorum was established. Yates led the invocation and all followed with the pledges.*

*There were no open comments.*

*There were three budget adjustments to consider from Precinct 3. Huggins made the motion to approve the budget adjustment, Curry seconded, and the motion passed unanimously.*

*The Court considered the following consent agenda:*

- A. Minutes from previous Commissioner's Court meetings*
- B. Approve Departmental reports*
- C. Approve bills: payroll in the amount of \$82,502.37, in-between bills of \$345.45, and bills in the amount of \$191,073.39*
- D. Certificates of continuing education – Tonya Cox*
- E. Application(s) for Culvert – None*
- F. Building and Use Request – Ratify Titanic walk-through for school children for May 22, 2023*
- G. Bonds/Deputations - None*

*Clary made a motion to approve the consent agenda and Huggins seconded. The Court approved the consent agenda unanimously.*

*Susan Halpin of the District Clerk's office resigned.*

*Clary supplied an estimate for protective coating for the cupola on the Courthouse roof and the Annex roof in the amount of \$36,000 for both projects. After discussion, those projects will be tabled until next budget year. The Court also discussed repairs to the concrete bench around the Courthouse and the steps. Clary also reported hail damage to Precinct 4 barn. The adjuster had recommended a roof replacement. There was also damage to two County vehicles. The insurance company will handle the repairs.*

*No action was taken on the Burn Ban.*

County Treasurer Cox reported that the County had \$2,080,173.56 in cash, and \$4,583,13234.77 in investments at the end of April, 2023.

The Emergency Services County Liaison announced a meeting of various County services to discuss the 2024 Solar eclipse. The meeting is scheduled for May 24, 2023, at 1:30 p.m. in the Annex courtroom.

Clary introduced the new Hamilton County Tax Abatement Policy, which was a collaboration between Clary and the County Attorney. Clary made the motion to adopt the proposed Tax Abatement Policy, Huggins seconded and after discussion, the motion passed with all Commissioners voting "Yes" and Yates abstaining.

Lacy Alexander reported the FTC had signed off on the new park tower. Construction will begin soon. The Hico tower construction will begin on May 30, 2023. This week is EMS Week.

No action was taken on the FY2022-2023 budget.

Yates stated that all departments had submitted their proposed budgets for FY2023-2024. There will be a budget workshop at the next meeting of the Court. The date for filing the budget is set for July 28, 2023.

The Court adjourned at 9:37 a.m.

Attest:

County Clerk



\*\*\*\*\*CORRECTION\*\*\*\*\* The statement on the second page of the minutes for May 9, 2023, should read "...FAA has new height restrictions for the towers..." rather than "...FFA has new height restrictions for the towers...".