

# **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 accord 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. Criteria for Tax Abatement and other Economic Development Incentives**

The following criteria must be met for an applicant to be considered eligible to contract for tax abatement and/or any other economic development incentive:

1. An investment by the applicant of at least \$ 100,00.00 in property improvements is required. This shall include personal (capital equipment) or real property improvements. Tax abatement may be granted to owners of real and personal property for projects where real property is leased and special terms and conditions may be set in the agreement governing each specific tax abatement. Inventory and supplies shall not be included.
2. The project must meet the requirements of the building codes and other applicable County requirements and City Codes where in the city limits or extraterritorial jurisdiction of the cities of Hamilton or Hico.
3. In addition to the minimum requirements stated above, the following criteria will be considered in determining what level of tax abatement and/or other incentives will be provided to the applicant:
  - a. Expansion of the local tax base.
  - b. Creation of permanent full-time employment with a minimum of 2 new employees and projected 5-year growth in number of employees. Tax abatement shall encourage employee benefits such as health insurance and allow the tax-collecting entities to request information during the term of the abatement regarding employee benefits.
  - c. 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.
  - d. The types and cost of public improvements which will be made by the applicant.
  - e. The type of Commercial activity (e.g. office, retail, etc.).
  - f. The amount of time necessary to complete the project by the property owner.

g. The extent to which the proposed project carries out the goals and objectives of the County.

h. The impact on the environment and on existing businesses.

i. Community perception of the project.

j. Salary ranges for new employees.

k. A cost/benefit analysis shall be presented by the applicant to demonstrate increased tax receipts to the County at the end of the abatement, payroll additions, turnover of payroll in the community, and investment by the business.

4. Preference will be given to businesses which use local suppliers and labor force, and which require no new public facilities.

### **Section C. Types of Incentives**

1. It is the intent of the County to offer tax abatement and/or other economic development incentives on a case by case basis so that the total package of incentives may be designed specifically for each project which is proposed.

2. The criteria outlined in Section B., above, will be used to determine whether or not it is in the best interest of the County to provide any tax abatement and/or other economic development incentives to a particular applicant. The extent to which a proposed project furthers the goals and objectives of the County and the projected impact of the project on the County will be used to determine the types and value of the incentives provided. Abatement may be up to 100% or can be set at an amount the County determines. The County may provide for an abatement on a sliding scale. Generally, tax abatement will not be provided to any applicant for a period greater than 5 years.

### **Section D. Application Procedures**

Any person, organization, joint venture, partnership, association or corporation desiring that the County consider providing a 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. Applicant shall file an application on a form provided by the County requesting the type and value of economic development incentives with the office of the County Judge.

2. Additionally, Applicant shall file a copy of the above referenced application with the City of Hamilton Economic Development Corporation, the City of Hico Economic Development Corporation, and the City of Evant Municipal Development District (collectively or individually EDC hereinafter) and request that they review the project and application and that each EDC submit a written recommendation (positive, negative or otherwise) to the County Judge.

3. Each application shall be accompanied by the following information:

a. A plat showing the precise location of the property, all roadways within 200 feet of the site, and all existing zoning and land uses on the site. This requirement may be waived at the discretion of the Commissioners Court.

- b. A complete legal description of the property.
- c. A brief description of the proposed improvements or expansions, the type of business operation proposed, the number of jobs created, the expected source of applicants for such jobs, the estimated annual payroll of all new jobs, the projected date of beginning construction and operation, salary ranges for employees and employee benefits.
- d. A time schedule of the planned improvements.
- e. A summary description of the new facility or expansion.
- f. A cost/benefit analysis.
- g. Any other information about the proposed project which may be required by the County.
- h. True and correct copies of any and all applications, photos, plats, maps and other written documents shall be submitted to any other taxing entity related to the proposed project.

4 The application will be reviewed by the County Judge for completeness and accuracy and comments will be received from the appropriate departments. Once this information is compiled, the application, review comments and recommendations will be forwarded to the members of the Commissioners' Court.

5. All requirements of Chapter 312 of the Texas Tax Code, known as the Property Redevelopment and Tax Abatement Act, shall be followed.

6. Applications for tax abatement and/or other economic development incentives made to the County will be denied if the County finds that the application for abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed modernization, expansion or a new facility.

#### **Section E. Approval of Tax Abatement and Other Economic Development Incentives by the Commissioners' Court**

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

2. Any tax abatement and economic incentive agreement must include at least the following items:

- a. A description of each of the types of incentives to be provided and their duration.
- b. A legal description of the property on which the agreement will operate.

c. Detailed information regarding the type, number, location and cost of all improvements on the property.

d. A plan which 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.

e. A provision limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that the property tax abatement and/or other economic development incentives are in effect.

f. A method to provide for the recovery of property tax revenues and all waived fees and costs which are lost as a result of the agreement. A non-compliance penalty shall require payment of all abated taxes immediately if the abatement agreement is cancelled.

g. Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement.

h. Provide that the governing body of the County may cancel or modify the agreement if the property owner fails to comply with the agreement.

i. Require the property owner to pay timely all assessed ad valorem taxes on the property subject to the agreement or the agreement shall be cancelled by the County.

j. Require the property owner to add a minimum of 2 new employees.

k. Provide the County with information on employee benefits and salary.

**Section F. 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 % vote of the Commissioners' Court.

The foregoing Resolution was adopted on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays.

\_\_\_\_\_  
W. Mark Tynes,  
Hamilton County Judge

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Johnny Wagner,  
County Commissioner, Precinct 1

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

\_\_\_\_\_  
Lloyd Huggins,  
County Commissioner, Precinct 3

\_\_\_\_\_  
Dickie Clary,  
County Commissioner, Precinct 4

Attest: \_

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Leanne Jackson ,  
Hamilton County Clerk