

**RE-AUTHORIZATION OF ROBERTSON COUNTY COMMISSIONERS'
COURT RESOLUTION SETTING GUIDELINES AND CRITERIA FOR
GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED IN
THE JURISDICTION OF ROBERTSON COUNTY, TEXAS**

A resolution that indicates the Commissioner's Court of Robertson County, Texas, willingness to consider tax abatements.

WHEREAS, new jobs and investment benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support area services; and

WHEREAS, the County of Robertson must compete with other localities across the state and nation currently offering tax inducements to attract new business projects, jobs and investments; and

WHEREAS, the abatement of property taxes, when offered to attract investment and jobs in industries which bring in money from outside a community has been shown to be an effective method of enhancing and diversifying and area economy; and

WHEREAS, the county of Robertson has determined it is in the public interest for the County to participate in property tax abatement; and

WHEREAS, the Texas Property Redevelopment and Tax Abatement, Chapter 312, Texas Property Tax Code authorizes any eligible jurisdiction to establish Guidelines and Criteria to grant tax abatements.

NOW THEREFORE, BE IT RESOLVED THAT, said guidelines and criteria are as follows:

Sec. 1. Definitions

- a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Robertson for economic development purposes.
- b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- c) "Agreement" means a contractual agreement between a property owner or lessee, or both, and an affected jurisdiction for the purposes of tax abatement.
- d) "Base year value" means the assessed value of eligible property as of January 1 preceding the effective date of the agreement
- e) "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.
- f) "Distribution Center facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator.
- g) "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- h) "Facility" means property improvements completed or in the process of construction that together comprise and integral whole.
- i) "Manufacturing Facility" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- j) "Modernization" means a complete or partial demolition or replacement of facilities or equipment and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- k) "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- l) "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that result in the creation of investment and/or jobs, and that bring in new wealth.
- m) "Productive life" means the number of years a property improvement is expected to be in service in a facility.
- n) "Research facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

- o) "Regional service facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.
- p) "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies.

Sec. 2. Criteria for Abatement and Designating a Reinvestment Zone.

- a) *Authorized facility.* A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, renewable energy resource, or other basic industry.
- b) *Creation of new value.* Abatement may be granted for the additional value of eligible property improvements as specified in an abatement agreement between Robertson County and the property owner or lessee, subject to such limitation as Robertson County may require.
- c) *New and existing facilities.* Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion.
- d) *Eligible property.* Abatement may be extended to the value of permanent buildings, other fixed capital assets and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.
- e) *Ineligible property.* The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools;; deferred maintenance; and vehicles; .
- f) *Value and term of abatement.* A tax abatement agreement granted by Robertson County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.
- g) *Economic qualification.* In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have an increase in property tax base valuation or other positive net economic benefit to Robertson County of at least \$100,000.00 over the life of the abatement, computed to include (but is not limited to) new sustaining payroll and/or capital improvement.; and
 - 2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Robertson County to another without a super-majority vote of approval from the Commissioners' Court.
- h) *Standards for Tax Abatement.* The following factors, among others, may be considered in determining whether to grant Tax Abatement:
 - 1. Value of existing improvements, if any;
 - 2. Type and value of proposed improvements;
 - 3. Productive Life of proposed improvements;

4. Number of existing jobs to be retained by proposed improvements;
 5. Number and type of new jobs to be created by proposed improvements;
 6. Amount of local payroll to be created;
 7. Amount of local sales taxes to be generated directly;
 8. Amount which property tax base valuation will be increased during the term of the Abatement period and after the Abatement period, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$100,000;
 9. The costs to be incurred by Robertson County to provide facilities or services directly resulting from the new improvements;
 10. The amount of ad valorem taxes to be to Robertson County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;
 11. The population growth of Robertson County that occurs directly as a result of new improvements;
 12. The types and values of public improvements, if any, to be made by applicant seeking Abatement;
 13. The impact on the business opportunities of existing business;
 14. The attraction of other new businesses to the area;
 15. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
 16. Whether the project obtains all necessary permits from the applicable environmental agencies.
- i) Each Eligible Facility may be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied or may be granted to the extent deemed appropriate after full evaluation.

Sec. 3. Application and Hearing

- a) Any present or potential owner of taxable property in Robertson County may request the creation of a reinvestment zone and tax abatement by filing a request with Robertson County. The request shall consist of a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken; a descriptive list of the improvements that will be a part of the facility; a map and property description; and a time schedule for undertaking and completing the planned improvements.

In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the ~~request~~. The request form may require any financial and other information that may be appropriate for evaluating the financial capacity of the applicant and any other factors.

- b) *Consideration of Reinvestment Zone.* Robertson County shall hold a public hearing prior to the designation of a reinvestment zone and shall give notice as provided by Tx. Tax Code §312.401, i.e., (1) written notice shall be given to the presiding officer of the governing body of each taxing unit where the property proposed to be designated as a reinvestment zone is located not later than the seven days before the public hearing and (2) publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before designating a reinvestment zone, Robertson County shall through a public hearing, afford interested parties the opportunity to show why the reinvestment zone should or should not be designated.
- c) *Consideration of Request.* Upon receipt of a completed request, the County Judge shall notify in writing the presiding officer of the governing body of each eligible jurisdiction. Before acting upon the request, Robertson County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Robertson County notice to be posted at least 30 days prior to the hearing.
- d) *Confidentiality.* As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.

Sec. 4. Agreement

- a) If a request for tax abatement is approved by Robertson County Commissioners Court, the Court shall pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:
 - 1. The percentage of value to be abated each year
 - 2. The commencement date and the termination date of abatement.
 - 3. The proposed use of the facility, nature of construction, time schedule for completing the planned improvements, map, property description, and improvements list.
 - 4. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment (as provided in the agreement), and other provisions that may be required for uniformity or by state law or that are mutually agreed to by the County and the applicant.
 - 5. Amount of investment and/or average number of jobs applicant commits to create for the period of abatement.
 - 6. Any other provisions required by Chapter 312 of the Texas Tax Code.

Sec. 5. Effect of Approval of Application

- a) Robertson County Commissioners Court acts only for the taxing entity of Robertson County and for no

other taxing entity within Robertson County. The County's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the effected jurisdictions may grant tax abatements and enter into tax abatement agreements with applicants.

Sec. 6. Recapture

- a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 60 days from the date of termination.
- b) If the Robertson County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the agreement may be terminated.
- c) If the company or individual (1) allows its ad valorem taxes owed to the County of Robertson, or any other taxing entity in Robertson County, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination .

Sec. 7. Administration

- a) The Chief Appraiser of the Robertson County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief appraiser shall notify the affected jurisdictions that levy taxes of the amount of the assessment.
- b) Upon completion of construction, a designated representative of Robertson County shall annually value each facility receiving abatement to ensure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 8. Assignment

- a) Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Robertson County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld.


Sec. 9. Sunset Provision

- a) The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by a vote of the Robertson County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

SIGNED THIS 12th DAY OF November 2024.



Joe David Scarpinato, County Judge



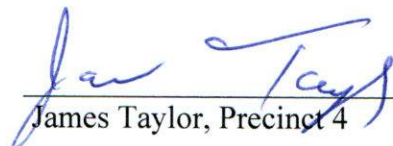
Ty Rampy, Precinct 1

VOTED
AGAINST

Donald Threadgill, Precinct 2



Chuck Hairston, Precinct 3



James Taylor, Precinct 4