

RESOLUTION

A Resolution By The Commissioners' Court Of Liberty County, Texas, Said Resolution Creating A Tax Abatement Program, Providing Criteria For An Application, Making Provisions For The Creation Of A Reinvestment Zone And Specifying That All Applications Shall Be Considered On Compliance With This Document And With The Merit Of The Proposed Development Project.

WHEREAS, the creation and retention of job opportunities that bring new wealth is of the utmost priority to the County; and

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

WHEREAS, the communities within Liberty County must compete with other localities across the nation currently offering tax inducements to attract jobs and investments; and

WHEREAS, any tax incentives offered in Liberty County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, any tax incentives should not have a substantially adverse impact on the competitive position of companies currently operating in Liberty County; and

WHEREAS, tax incentives should not be used to attract those industries that have demonstrated a lack of commitment to protecting our environment, but should be used to encourage projects designed to protect our environment; and

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries that generate money from outside the community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any tax abatement, said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote of the Commissioners' Court; and

WHEREAS, to assure a common coordinated effort to promote our communities' economic development, any such Guidelines and Criteria should be adopted only through the cooperation of affected school districts, cities and other taxing entities in Liberty County; and

WHEREAS, Liberty County Commissioners Court has approved the circulation of the attached Guidelines and Criteria to affected taxing jurisdictions for consideration as a common policy for all jurisdictions which choose to participate in tax abatement agreements;

NOW, Therefore, Be It Resolved By The Liberty County Commissioners' Court that the following guidelines and criteria for granting a tax abatement in a reinvestment zone are herein approved and adopted

I.

POLICY BASIS

This Tax Abatement Policy shall apply to approved present or potential owners of taxable property in Liberty County, who: (1) own or are in the process of acquiring eligible property in a Reinvestment Zone approved by the County; (2) are willing to execute tax abatement agreements on property improvements and developments designed to provide benefits to eligible property and to utilize area contractors and work force to the maximum extent feasible; and (3) are operators of new, expanded or modernized manufacturing, research, distribution, service, administrative, corporate or other business or industry facilities on the subject real property.

II.

APPLICATION

- (a) Any current or potential owner of taxable property in Liberty County may request the creation of a reinvestment zone or tax abatement by filing a written request with the Liberty County Commissioners Court.
- (b) An application shall consist of a letter of request on corporate letterhead, a copy of the applicants business plan and the following declarations: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements to the property; a map and legal description of the property; and a time schedule for undertaking and completing the proposed improvements. The applicant shall also include information pertaining to the reasons the abatement is necessary in order to have the project undertaken in Liberty County, including information on the project's competitive siting. The applicant shall include a certification of the current number of permanent, part-time and contract employees of the applicant, by category, at the time of the application. In the event the project is to be located in a leased facility, the applicant shall provide the name and address of the lessor and a copy of the lease, if executed, or option contract. 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 application. The application will also require disclosure of the financial capacity of the applicant. The application should also include a profile of each of the individual applicants or its officers and directors.

- (c) Each tax abatement application will be individually reviewed by Commissioners Court and approved or disapproved based on the merits of the application and the guidelines and criteria as set forth herein. In addition, in its discretion, Commissioners Court may appoint a Tax Abatement Review Board, including residents of major taxing entities within Liberty County, to review and make suggested recommendations to Commissioners Court regarding each application.
- (d) The County, upon the sole approval of Commissioners Court, shall by resolution either approve or disapprove each application for tax abatement. The County Judge shall notify the applicant of approval or disapproval. Any disapproved application may be modified and re-submitted to the Court.
- (e) The County Judge shall notify in writing the presiding officer of the governing body of each affected taxing jurisdiction of the receipt of an application, and effort shall be made to coordinate the requested tax abatement with these taxing jurisdictions.
- (f) The County shall not establish a reinvestment zone or enter into an abatement agreement if it finds that the request for the abatement was filed after the commencement of construction, alteration or installation of improvements related to a proposed modernization, expansion or new facility. Property eligible for abatement includes only the new improvements that occur after the completion of an abatement agreement with Liberty County or participating municipality.
- (g) Liberty County reserves to right to require that a request for a tax abatement be accompanied by a reasonable application fee, same not to exceed \$1000.00 as allowed by the Property Redevelopment and Tax Abatement Act.
- (h) An abatement shall only be granted for the additional value resulting from proposed improvements to eligible property constructed after the year in which the tax abatement is granted or for approved tangible personal property brought onto the property after the date of execution of a Tax Abatement Agreement;
- (i) An abatement shall be extended only to the improved value of land, buildings, structures, fixed machinery, equipment, site improvements and personal property not including supplies or inventory;
- (j) An abatement shall not be granted for any property on which total or partial ad valorem tax exemption or devaluation currently applies, or is granted during the term of tax abatement. Granting of total or partial ad valorem tax exemption or devaluation to any part of the property during the tax abatement period shall cancel any and all tax abatement on the property, and render the terms of any tax abatement agreement on the property null and void.

- (k) Facilities receiving a tax abatement will have a minimum expected life of ten (10) years or more.
- (l) Companies receiving a tax abatement will house all work in process and raw materials within the boundaries of Liberty County.

III.

DISCRETIONARY CONSIDERATIONS

The following matters may be considered by Commissioners Court in its discretionary approval or disapproval of each tax abatement application:

- (a) The proposed improvements will increase County tax revenue at least \$100,000.00 annually after the abatement period expires, based upon the County Tax rate for the year in which the tax abatement is granted by official action of Commissioners Court.
- (b) The proposed improvements will create a minimum of 25 new permanent jobs in the County upon opening for business, and should promote further employment in the County; or should increase County tax revenue substantially over the minimum amount set forth in paragraph III, subsection (a) above.
- (c) The proposed improvements will not have the sole or primary effect of transferring employment from one part of the County to another.
- (d) Proposed projects shall have a minimum cumulative value of Fifty Million Dollars (\$ 50,000,000).
- (e) The duration of a tax abatement is at the discretion of the Commissioners' Court but under no case shall the abatement exceed ten (10) years. The Commissioners' Court shall assign the term of a tax abatement and the monetary level of the tax reduction for each year of the abatement.

IV.

PUBLIC HEARING

- (a) The Commissioners Court may not adopt a resolution designating a reinvestment zone until it has held a public meeting at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least

72 hours prior to the hearing. The presiding officers of eligible taxing entities shall be notified in writing at least 7 days prior to the hearing.

- (b) Prior to entering into a tax abatement agreement, the Commissioners Court shall hold a public hearing at which persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

V.

TAX ABATEMENT PLAN

Tax abatement shall be granted effective with the years following the year the Tax Abatement Agreement is signed. The amount and duration of exemptions granted shall be at the discretion of Commissioners Court but in no event will they exceed the limits prescribed by statute.

VI.

AGREEMENT

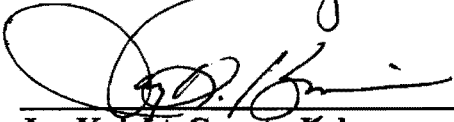
After approval and resolution and after giving affected taxing units seven (7) days written notice (including a copy of the Tax Abatement Agreement) the County, through the County Judge, shall execute an agreement with the present or potential property owner on standard form as approved by the County Attorney's Office. All tax abatement agreements shall be in writing, and conform to the provisions of the Texas Government Code, Section 312, Property Redevelopment and Tax Abatement.

VII.

TERM

This policy shall become effective on the date of adoption by the Liberty County Commissioners' Court and shall remain in force for a two (2) year period thereafter at which time all reinvestment zones and tax abatement contracts created by Commissioners Court will be reviewed by same to determine whether the goals have been achieved, and whether the policy should be continued. The guidelines and criteria as stated herein may be amended or repealed only by a vote of three-fourths (3/4ths) of the members of the Commissioners Court.

PASSED And Approved by the Liberty County Commissioners' Court on this the
25th day of August, 2020



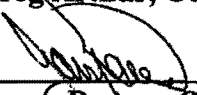
Jay Knight, County Judge



Bruce Karbowski, Commissioner Precinct 1




Greg Arthur, Commissioner Precinct 2



James Reaves, Commissioner Precinct 3



Leon Wilson, Commissioner Precinct 4

ATTEST: 

Lee H. Chambers, County Clerk

