



## **Policy on Tax Abatement and Other Economic Development Incentives for Clay County, Texas**

### **Section A. Purpose**

The County of Clay, Texas (County hereinafter), is committed to the promotion of economic development in all parts of the County. And to improve the quality of life for its citizens. To help meet these goals, the County will consider providing tax abatement or other incentives to stimulate economic development in the County and expand the local tax base. It is the policy of the County that such incentives will be provided to appropriate businesses following the procedures and criteria outlined in this document. Nothing in this policy shall imply or suggest or be construed to imply or suggest that the County is under any obligation to provide an incentive to any applicant. All such applicants for tax reduction 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 will be addressed by the Clay County Commissioners Court for an applicant to be considered eligible to contract for tax abatement or any other economic development incentive:

1. An investment by the applicant of at least \$100,000.00 in property improvements is required. This application 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, within the city limits or extraterritorial jurisdiction of the cities in Clay County.
3. In addition to the minimum requirements stated above, the following criteria will be considered in determining what level of tax abatement or other incentives may be provided to the applicant:
  - a. Expansion of the local tax base
  - b. Creation of permanent full-time employment and projected 5-year

growth in the number of employees

- c. Tax abatement will encourage employee benefits such as health insurance
- d. List the required types and cost of public improvements (e.g., county roads, city streets, water, sewer, drainage) and services (e.g., fire, police) of the City and County
- e. The types and cost of public improvements which will be made by the applicant.
- f. The type of Commercial activity (e.g., office, retail, energy, etc.)
- g. The amount of time necessary to complete the project by the property owner.
- h. The impact on the environment and existing businesses
- i. Community perception of the project.
- j. A table of applicants requested tax abatement percentage
  - Year One %
  - Year Two %
  - Year Three %
  - Year Four %
  - Year Five %

4. The County will give preference to businesses that use local suppliers and labor force, and require no new public facilities.

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

1. The County intends to offer tax abatement and other economic development incentives on a case by case basis so that the total package of incentives may be designed specifically for each project.

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 or other economic development incentives to a particular applicant. The extent to which a proposed project furthers the goals and objectives of the County will also be considered. The projected impact of the project on the County will determine the types and value of the incentives provided. Abatement may be up to 100% or can be at an amount the County determines. The County may provide for an abatement on a sliding scale.

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

Any person, organization, joint venture, partnership, association or corporation desiring that the

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County consider providing a tax abatement 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 file an application on a document provided by the applicant requesting the type and value of economic development incentives with the office of the County Judge. This document should be in Portable Document Format (PDF).

2. Additionally, the applicant shall file a copy of the above-referenced application with any city that would be affected 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. The following information shall accompany each application:

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. The Commissioner's Court may waive this requirement.

b. A complete legal description of the property

c. A brief description of the proposed improvements or expansions

d. The type of business operation proposed

e. The number of jobs created

f. The projected date of beginning construction and operation,

g. Salary ranges for employees, and employee benefits

h. A time schedule of the planned improvements

i. A summary description of the new facility or expansion

j. Any other information about the proposed project which may be required by the County

k. The applicant should submit accurate and correct copies of all applications, photos, plats, maps, and other written documents to any other taxing entity related to the proposed project.

4. The County Judge will review the application for completeness and accuracy and comments from the appropriate departments. The County Judge will forward compiled application, review comments, and recommendations 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. Applying for abatement after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion, or a new facility, may result in the County denying Applications for tax reduction or other economic development incentives made.

**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. The approval of the terms and conditions of tax abatement or other economic development incentive agreement with the applicant will enumerate the types of incentives, and the conditions which apply to them.

2. Any tax abatement and economic incentive agreement must include 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 by the court or its designee. This condition is 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 or other economic development incentives are in effect. This requirement may be waived at the discretion of the Commissioners Court.

f. There will be a method to provide for the recovery of property tax revenues, all waived fees, and costs that 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 canceled. This requirement may be waived at the discretion of the Commissioners Court.

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g. Require the owner of the property to certify annually to the governing body of each taxing unit that the owner complies with each applicable term of the agreement. This letter of certification will be provided by the Commissioners Court.

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 County shall cancel the agreement.

j. Encourage the property owner to add employees.

#### **Section F. Duration of Guidelines**

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

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

\_\_\_\_\_  
Mike Campbell,  
Clay County Judge

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Richard Lowery,  
County Commissioner, Precinct 1

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Johnnie Gee,  
County Commissioner, Precinct 2

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John McGregor,  
County Commissioner, Precinct 3

\_\_\_\_\_  
Chase Broussard,  
County Commissioner, Precinct 4

Attest \_\_\_\_\_  
Sasha Kelton,  
Clay County Clerk