



## Legislation Details (With Text)

<b>File #:</b>	ORD 21-005	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Ordinance	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	12/29/2020	<b>In control:</b>		City Council	
<b>On agenda:</b>	1/5/2021	<b>Final action:</b>			
<b>Title:</b>	Consideration of and action on the results of the public hearing and an ordinance reaffirming and amending the Reinvestment and Tax Abatement guidelines and criteria passed by Ordinance 4030.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. Reaffirm and Amend Ord 4030-Tax Abatement and Reinvestment Zone-Jan. 2021				

Date	Ver.	Action By	Action	Result
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Consideration of and action on the results of the public hearing and an ordinance reaffirming and amending the Reinvestment and Tax Abatement guidelines and criteria passed by Ordinance 4030.

### Summary:

Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code provides authority for cities to establish guidelines and criteria for property tax abatement. Tax abatement guidelines are effective for a period of two (2) years. Also, during the 2 year period after approval or reaffirmation, the guidelines and criteria may only be amended or repealed by a 3/4th vote of the members of the governing body.

The City last reaffirmed the Tax Abatement guidelines and criteria in December 2018. Staff has reviewed the existing guidelines and criteria contained in Ordinance 4030 and recommends that the “formally announced” verbiage in Section 102-123(e) needs to be better defined. This section states:

“(e) The City shall not enter into an abatement agreement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installations of improvements related to a proposed modernization, expansion or new facility. An applicant is ineligible for abatement if a decision to commence a modernization, expansion or new facility in the City has been formally announced on or before an application for abatement has been filed with the City.”

During the December 1, 2020 Council Workshop, City staff proposed that the aforementioned section be amended by adding the verbiage highlighted below:

“(e) The City shall not enter into an abatement agreement if it finds that the request for the abatement was filed after the application for City Permit, commencement of construction, alteration, or installations of improvements related to a proposed modernization, expansion or new facility. An applicant is ineligible for abatement if a decision to commence a modernization, expansion or new facility in the City has been formally decided or announced on or before an application for abatement

has been filed with the City. A formal announcement is constituted by way of any public proclamation or statement, either in writing or verbally.

The added language would clarify what constitutes a formal announcement. The remainder of the existing guidelines and criteria are recommended to be reaffirmed.

Section 312.002(c-1) of the Tax Code provides that before the governing body of a taxing unit may adopt, amend, repeal, or reauthorize guidelines and criteria, the body must hold a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard. At the December 1, 2020 Regular Council Meeting, the City Council called a public hearing on January 5, 2021 to reaffirm and amend the Tax Abatement Ordinance.

Fiscal/Budgetary Impact:

N/A

Approve the ordinance reaffirming and amending the Reinvestment and Tax Abatement guidelines and criteria passed by Ordinance 4030.