### North Texas 2050 Action Package

**Issue:** Economic Development

<table>
<thead>
<tr>
<th>Action Tool Title</th>
<th>Dr. Whelan's Team/ Burns Development Group</th>
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<tbody>
<tr>
<td>Description of the tool:</td>
<td>A reprieve from tax obligation</td>
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#### How Well Does It Work?

**How valuable is this tool?  How important is its contribution to achieving North Texas' vision for the future?**

This tool is valuable because it provides tax relief/ tax abatement for communities, certain school and business districts within a reinvestment zone.

#### How does it actually work?

These are decided on a case by case basis in Texas and deciding factors include: number of jobs, dollar-value of capital investment, the decision is made by the county. This attracts new industry and commercial enterprises.

#### What are the costs and who will they affect?

- The costs will be to those in the area who are fixing up their property, home or businesses (rennovation costs)
- Citizens/Businesses owners who are in the area or who want to be in the area.

#### What are the benefits and who will they help?

- They are great for residential/commerical abatement because they: retain city citizens, stimulate new people wanting to move in to the area (community stimulation)
- It will encourage people to fix up their existing structures (businesses and houses) as well as invest in new infrastructure

#### What are the biggest stumbling blocks?

- 10 year abatement period

#### How can they be addressed?

- People have to act in a reasonable amount of time and move into the area or improve their existing structures

#### Who Would be Responsible?

**Primary (lead) responsibility**

Texas Comptroller of Public Accounts Office

1-800-252-1921

**Secondary responsibility**

[http://www.window.state.tx.us/taxinfo/taxforms/02-form01.html](http://www.window.state.tx.us/taxinfo/taxforms/02-form01.html)

#### How Should it be Funded?

**Primary (lead) responsibility**

This is funded by state benefits and incentives which include: state sales and use tax refunds

**Secondary responsibility**

It can also be funded by transferring of public building at below market cost to companies, low interest loans, waving certain fees for qualifying enterprise zones.
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<table>
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<tr>
<th>Action Tool Title</th>
<th>Tax Abatement</th>
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<tr>
<td><strong>How Does It Connect?</strong></td>
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<tr>
<td><strong>What other VNT issues are helped by this tool?</strong></td>
<td>This helps ultimately with bringing new citizens into the area</td>
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<tr>
<td><strong>What other VNT issues could be hurt by this tool?</strong></td>
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<tr>
<td><strong>How Should It Be Implemented?</strong></td>
<td></td>
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<tr>
<td><strong>What will be done?</strong></td>
<td><strong>When will it happen?</strong></td>
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<tr>
<td>• Areas that want to be considered must adopt a resolution stating their intent to participate in tax abatement. In addition, they must adopt abatement criteria and guideline. They must provide availability abatement to new facilities, as well as expanding existing ones or remodeling them. • There must be a public hearing, with 7 days written notice given to the presiding officer of each of the taxing units in its boundaries with the proposed zones.</td>
<td></td>
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</table>

| **What Examples Can We Follow?** | |
| North Texas Case Studies | |
| Other Texas Case Studies | A book written about Property Tax Abatement in San Marcos Texas by Kay Hofer [link](http://books.google.com/books?id=QIdYHLAoA64C&pg=PA747&dq=Texas+Tax+Abatement%2Bcase+study&source=bl&ots=WYN1OP1-7pi&sig=XMSdxu4ufvnq5Q5Lxq7zD_aE3sI&hl=en&ei=5coFS5S7CYrfnAe8qdG1Cw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CAgQ6AEwAA#v=onepage&q=Texas%20Tax%20Abatement%20case%20study&f=false) |

Other U.S. Case Studies

Supporting Research

Related Information

Acknowledgements

Recognize the people who have provided assistance to VNT for this tool

Burns Development Group