

North Texas 2050 Action Package

Issue: Economic Development		Dr. Whelan's Team/ Burns Development Group	
Action Tool Title		Tax Abatement	
Description of the tool:		A reprieve from tax obligation	
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?		What are the benefits and who will they help?	
<ul style="list-style-type: none"> 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. 		<ul style="list-style-type: none"> 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?		How can they be addressed?	
<ul style="list-style-type: none"> 10 year abatement period 		<ul style="list-style-type: none"> People have to act in a reasonable amount of time and move into the area or improve their existina structures 	
Who Would be Responsible?			
Primary (lead) responsibility		Texas Comptroller of Public Accounts Office	
Secondary responsibility		1-800-252-1921	
Need for coordination		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 qualifiing enterprise zones	

North Texas 2050 Action Package

Action Tool Title		Tax Abatement	
How Does It Connect?			
What other VNT issues are helped by this tool?		This helps ultimately with bringing new citizens into the area	
What other VNT issues could be hurt by this tool?			
How Should It Be Implemented?			
What will be done?		When will it happen?	
<ul style="list-style-type: none"> • 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. 			
What Examples Can We Follow?			
North Texas Case Studies		<p>A book written about Property Tax Abatement in San Marcos Texas by Kay Hofer http://books.google.com/books?id=QIdYHLAoA64C&pg=PA747&lpg=PA747&dq=Texas+Tax+Abatement%2Bcase+study&source=bl&ots=WYN1O1-7pi&sig=XMSdxu4ufvnq5Q5Lxq7zD_aE3sI&hl=en&ei=5coFS5S7CYrfnAe8qdG1Cw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CAgQ6AEwAA#v=onepage&q=Texas%20Tax%20Abatem</p> <p>Cincinnati, Ohio's Tax Abatement Program http://www.cincinnati-oh.gov/cdap/pages/-3521/</p>	
Other Texas Case Studies			
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	