

**COLLIN COUNTY ECONOMIC DEVELOPMENT
CHAPTER 312 TAX ABATEMENT PROGRAM
The 50/3 Plan
(draft)**

Program Authority. Chapter 312 of the Texas Tax Code provides authority for providing county incentives for local economic development by the granting of tax abatements in compliance with the Code, and the Tax Abatement Policy adopted by the Commissioners Court of Collin County. Chapter 312 authorizes a county to grant abatements , for various activities, including the following:

1. to promote state or local economic development; and
2. to stimulate, encourage, and develop business and commercial activity in the county.

Program Purpose And Benefits The Commissioners Court has determined a program adopted pursuant to Chapter 312 is appropriate to provide an economic development incentive for new, and expanding businesses in the county. Qualifying businesses will create new jobs, and increases in real and business personal property. For doing so, and complying with the terms of the program, the business will receive a tax rebate equal to one half of the business's county taxes for each of the three years following the approval of the application of the business.

Qualified Applicants Qualified applicants for this program include the following:

- A. New and expanding businesses---

 1. New businesses coming to, or originating in, Collin County, or
 2. A business in the county which is expanding, not relocating, in a new and additional location in the county.

- B. Performance Standards-----

 3. A minimum increase in the business taxable property (either real estate or business personal property, or both) in an amount not less than \$100,000, and
 4. A minimum creation of five new jobs in the county, maintained throughout the term of the program.
 - a. Other_____ (example-- creation of a minimum value of annual payroll.)
 5. Full compliance with the terms above, and any others in the agreement for the incentive approved by the county.

- C. Approvals of Applicants are not automatic. The Commissioners reserve the right to modify the terms of the program, and/or reject any individual application. The County may approve qualified applicants for the program as a group, or may create individual agreements, or programs, with specific applicants.

Terms of the Program.

The Applicant must provide the required information to the county requested on the Program Application. If approved, the business would commence the program on the first day of the following calendar year, when taxable values are established for the business.

2. Conditions precedent to payment by the county—
 - a. If the minimum standards for improvements and employment are not met within the first year, and or not maintained in the second or third years, the county program benefits terminate as to the business
 - b. An affidavit must be filed each year by the applicant, certifying continued compliance with the program requirements
 - c. Payment of taxes in full, and on time, to the County.

3. Recapture provision--In the event the business entity fails to meet the terms of the agreement, all amounts equal to payments received from the county must be repaid to the county within 30 days of notice from the county.

4. All procedural requirements of establishing and granting of tax abatements required by law are required by the 50/3 program. The requirements include the following:
 - a. Adoption of the abatement policy and guidelines by the County.
 - b. Establishment of reinvestment zones.
 - c. Creation and approval of agreements with municipalities wishing to participate with the county in the program.
 - d. Creation of individual abatement agreements with each applicant, with approval of the agreement by the court.

Notwithstanding any other provision of the program, the county expenditure of funds:

1. must serve a public purpose;
2. may not be a gratuitous payment to a private entity; and
3. must comply with any applicable statutory requirements.

Therefore, the county will require and ensure that there is consideration for any incentive. A county may condition any grant payments upon the creation of employment, construction of improvements, continued operation in a county for a stated period, and

achieved minimum taxable values, or sales tax revenue, or other provision, in the county's discretion.