

RESOLUTION

A RESOLUTION OF the Board of Trustees of Tyler Junior College District ("Board") ELECTING TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS, AND ESTABLISHING GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT AGREEMENTS.

WHEREAS, § 312.002, Texas Tax Code, requires a taxing unit to adopt a resolution establishing guidelines and criteria governing tax abatement agreements and stating that the taxing unit elects to become eligible to participate in tax abatement; and

WHEREAS, the Board has expressed its intent to consider and enter into tax abatements and to adopt Tax Abatement Guidelines and Criteria; and

WHEREAS, the Board desires to adopt Tax Abatement Guidelines and Criteria; and,

WHEREAS, the Board elects to be eligible to participate in tax abatement.

NOW, THEREFORE, BE IT RESOLVED by the Board:

PART 1: The Board elects to participate in tax abatement agreements pursuant to Chapter 312 of the Texas Tax Code.

PART 2: The Guidelines and Criteria attached as Exhibit" A" to this Resolution for granting tax abatements are hereby adopted.

PART 3: That this Resolution shall be effective immediately from and after its passage and shall remain in effect indefinitely until revoked by the Board.

PART 4: The Guidelines and Criteria attached as Exhibit "A" are valid for two years from today's date as set forth in Chapter 312 of the Texas Tax Code.

APPROVED AND ADOPTED at a regular Board meeting after public notice and a public hearing on this 12th day of December 2024.

ATTEST:

Ellen Matthews

APPROVED:

Daniel Anderson

EXHIBIT "A"

**Tyler Junior College
TAX ABATEMENT
GUIDELINES AND CRITERIA**

**AS ADOPTED BY THE BOARD OF TRUSTEES
OF TYLER JUNIOR COLLEGE
DECEMBER 12, 2024**

**Effective December 12, 2024 through
December 11, 2026**

TYLER JUNIOR COLLEGE (“TJC”) TAX ABATEMENT GUIDELINES & CRITERIA

1. Purpose

These Tax Abatement Guidelines and Criteria (“Guidelines”) repeal and replace any Tax Abatement Guidelines previously adopted TJC’s Board of Trustees.

The purpose of these Guidelines is to comply with §312.002 of the Tax Code, and to adopt guidelines and criteria governing tax abatement agreements entered into or participated in by TJC. Tax abatement under these Guidelines will be considered for both new structures and facilities and the expansion and modernization of existing structures or facilities.

2. Municipal Reinvestment or Enterprise Zones

2.1 Municipalities may create reinvestment zones in accordance with §312.201 of the Tax Code. Municipalities may enter into tax abatement agreements with the owner(s) of taxable real property (“Property Owner”) within the reinvestment zone to exempt a portion of the taxable value of the real property, and personal property located on the real property. The term “municipal reinvestment zone” includes an “enterprise zone” designated under Chapter 2303 of the Government Code.

2.2 Pursuant to §312.206 of the Tax Code, TJC may enter into a tax abatement agreement with the owner of real property within a municipal reinvestment zone when a municipality is entering into a tax abatement agreement with the owner. The terms of the TJC Agreement are not required to be identical to those in the municipal agreement.

2.3 The duration of any tax abatement may not exceed a period of ten (10) years, or the period allowed by applicable law.

3. County Reinvestment Zones

3.1 In accordance with Chapter 312, Subchapter C of the Tax Code, a County may create its own reinvestment zones in the unincorporated areas of the County, including within the ETJ of a municipality. The term “County Reinvestment Zone” includes an “enterprise zone” designated under Chapter 2303 of the Government Code.

3.2 A County Reinvestment Zone shall only be created in accordance with §312.401 of the Tax Code.

3.3 A tax abatement agreement entered into in a County Reinvestment Zone must

comply with §312.402 of the Tax Code.

3.4 The duration of any tax abatement may not exceed a period of ten (10) years, or the period allowed by applicable law.

3.5 Pursuant to Chapter 312 of the Tax Code, TJC may enter into a tax abatement agreement with the owner of real property within a County Reinvestment Zone when the County is entering into a tax abatement agreement with the owner. The terms of the TJC Agreement are not required to be identical to those in the County agreement.

4. Application for Tax Abatement

4.1 The Property Owner or its agent must request a tax abatement be placed on the agenda and provide a draft tax abatement agreement sufficiently in advance of the meeting. The Property Owner or its agent must attend the board meeting for a tax abatement to be considered by the Board.

4.2 The Board agrees to accept the application submitted to the municipality or county if it is provided with a copy of the application submitted to the municipality or county at least ten (10) business days before the abatement is to be considered by the Board. TJC reserves the right to require additional information which is reasonably necessary to guide its consideration of whether or not to grant the tax abatement.

4.3 Except as otherwise provided herein, before TJC enters into a tax abatement agreement for a property located within a reinvestment or enterprise zone, the following requirements must be shown to have been met:

4.3.1 The reinvestment zone or enterprise zone must have been created in compliance with the requirements of the Tax Code.

4.3.2 The term of the proposed abatement cannot exceed 10 years, or the period allowed by applicable law.

4.3.3 The application requirements of these Guidelines have been complied with by the Property Owner.

4.3.4 The terms and conditions of the proposed abatement are found acceptable to TJC and its legal counsel.

4.3.5 Sufficient public benefit in the form of improvements/additions to the property, and, if applicable, creation/retention of jobs, is to be generated by the property for which tax abatement is granted.

4.3.6 The terms of the proposed tax abatement agreement must specify the obligations of the Property Owner to meet certain capital investment and, if applicable, employment standards, and must provide methods to audit compliance of the Property Owner, and to recover abated taxes, and/or penalties, interest, and/or attorney's fees from the Property Owner if the property owner fails to meet the obligations.

4.3.7 The Property Owner must not be currently delinquent on any taxes.

5. Tax Abatement Agreements

5.1 Tax Abatement Agreements must, by statute (See §§312.205 and 312.206, Tax Code. See Also §312.402, Tax Code), contain the following terms and conditions:

- (a) list the kind, number, and location of all proposed improvements of the property;
- (b) provide access to and authorize inspection of the property by TJC agents or employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- (c) limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- (d) provide for recapturing property tax revenue lost as a result of the agreement if the Property Owner fails to make the improvements or repairs as provided by the agreement;
- (e) require the Property Owner to certify annually to the governing body of the college that the owner is in compliance with each applicable term of the agreement; and
- (f) provide that the governing body of the college may cancel or modify the agreement if the Property Owner fails to comply with the agreement.
- (g) require a Property Owner to stay current on the unabated portions of property taxes on the property. Failure to do so may result in termination of the Tax Abatement Agreement.

5.2 The Tax Abatement Agreement may contain other provisions as required by the Board or its legal counsel.

5.3 The duration of a tax abatement shall not exceed ten (10) years.

5.4 The Base Year Value of the property, the percentage of abatement, and the length of abatement shall be clearly set forth in the Agreement.

5.5 The "Base Year Value" is the taxable value of the property for the tax year in which the Agreement is executed.

5.6 The abatement provided by a Tax Abatement Agreement is only for the increase of the taxable value over the Base Year Value caused by the improvements and additions made by the property owner to the property which are specifically set forth in the Agreement. The abatement shall not be applied to improvements or personal property located on the property before the Tax Abatement Agreement is executed, or which are not included in the improvements or additions expressly described in the Tax Abatement Agreement. The abatement provided by the Tax Abatement Agreement shall not apply to inventory or supplies.

5.7 A certificate of completion must be provided to the Board upon (or the entity administering compliance) completion of the improvements/additions. "Completion" is subject to independent verification of completion by the County (and the municipality if in a municipal reinvestment zone).

5.8 Tax abatement compliance for a municipal reinvestment zone is generally monitored and administered by the city, and compliance for a county reinvestment zone is generally monitored and administered by the county.

6. Guidelines of General Application

6.1 No member of the Board may have an interest in property to be included in a reinvestment zone, or property for which a tax abatement is granted by the college.

6.2 No tax abatement agreement is effective until formally approved by the Board and fully executed by all parties. No tax abatement can be granted for property that is not located within a properly established reinvestment zone.

6.3 Tax abatement will only be granted for increases in the taxable value of the property over the Base Year Value as defined in these Guidelines, and only for increases in value caused by improvements/additions identified in the applicable tax abatement agreement. The term improvements/additions includes both new structures and facilities and the expansion and modernization of existing structures or facilities. In some situations, involving leases-the applicable Base Year value may be zero, or may be the value of the leasehold, if any. According to Section 312.402 (a-3) of the Tax Code the value of fixtures and personal property placed on the leased property is what is considered for abatement.

6.4 There can be no implied promise to grant tax abatement, and tax abatement may only be granted by the Board by formal action, taken by the Board as a body, which approves the same.

6.5 Meetings at which a tax abatement is considered by the Board must be posted and held in accordance with the Open Meetings Act (Chapter 551 of the Government Code). (added by H.B. 3143, 2019) The Board must give the public notice of the meeting at which the Board will consider approval of a Tax Abatement Agreement. The notice is posted for the meeting in the manner required by the Texas Open Meetings Act (Ch. 551, Texas Government Code) at least 30 days before the time of the meeting scheduled to consider the Tax Abatement Agreement. The Notice must contain:

- a) The name of the Property Owner and the name of the applicant for the Tax Abatement Agreement;
- b) The name and location of the Reinvestment Zone where the subject property is located;
- c) A general description of the improvements or repairs required to be made under the Tax Abatement Agreement; and
- d) The estimated cost of the improvements or repairs.

6.6 The conflict of interest provisions of Chapter 171 of the Local Government Code apply to actions taken by the Board on any tax abatement.

6.7 TJC is not bound by the term or percentage agreed to by the City, County, or any other taxing entity.

6.8 No abatement will be approved if construction is completed or substantially complete at the time of application to the Board.

6.9 The term of any abatement shall generally be limited to 6 years, as it is the intent of the Board to limit the term of any abatement to the terms of the current members of the Board.

6.10 The application must demonstrate an economic benefit through advancement of the city, county and/or college's goals which may include expanding the tax base, creating quality jobs, increasing capital investment, creating development of a certain area or business, or any other goal deemed beneficial to the college.

6.11 Each application will be considered on a case by case basis. The college is not bound by any decision or term of the city or county. The college is not obligated to grant any tax abatement.

6.12 In accordance with §312.002(d) of the Tax Code, TJC's adoption of these Guidelines does not:

- a) limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;
- b) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
- c) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

6.13 In the event of conflict between these Guidelines and a provision of Chapter 312 of the Tax Code, Chapter 312 of the Tax Code shall control.

6.14 These Guidelines must be re-evaluated and considered every two years.

6.15 The most current version of these tax abatement guidelines must be made available on the TJC website.

Approved and adopted on this the 12th day of December 2024.

TYLER JUNIOR COLLEGE

By:



David Hudson, Board President

ATTEST:



Ellen Matthews, Secretary