

# Collin County Jobs Program

Tax Code Chapter 312

versus

Local Government Code Chapter 381

Presented to the Collin County Commissioners Court

Monday, October 10, 2011

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# Tax Code Chapter 312

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# Local Government Code Chapter 381

	<u>Chapter 312</u>	<u>Chapter 381</u>
◆ Establish Guidelines and Criteria	Required in advance of any abatement agreement	May be a general program or specific to each applicant
◆ Another taxing entity may participate	Yes	Yes
◆ Agreements with applicants must be separate for each business	Yes	Yes

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# Local Government Code Chapter 381

	<u>Chapter 312</u>	<u>Chapter 381</u>
◆ Guidelines effective for two years	Yes	Not stated in the statute
◆ Guidelines adoption does not:		
◆ (a) limit discretion of court	Yes	Not stated in the statute
◆ (b) prohibit delegation by the court to county employees the discretion to screen applications for approval	Yes	Yes
◆ (c) create a property right	Yes	Not stated in the statute

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## Chapter 312

## Chapter 381

- ◆ Prior to approval, the applicants information is confidential
- ◆ Each application is presented to the court for approval
- ◆ Deferral of benefit
- ◆ Reinvestment Zone Required
- ◆ Available to the owner of taxable real property in a reinvestment zone which is an improvement project financed by tax increment bonds

Yes

Yes

Yes

Yes

No

Yes

Yes

Yes

No

Yes

•Extending 381 benefits into an existing TIF may not be financially advisable

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	<u>Chapter 312</u>	<u>Chapter 381</u>
◆ Agreement requires		
◆ (a) specific improvements	Yes	No
◆ (b) on-site inspections	Yes	No
◆ (c) limited uses of property	Yes	No
◆ (d) provides for recapture in the event of default	Yes	No (but recommended)
◆ (e) applicant's annual certification of compliance	Yes	No (but recommended)
◆ (f) cancel or modify in the event of default	Yes	No (but recommended)

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	<u>Chapter 312</u>	<u>Chapter 381</u>
◆ Written agreements required with municipality	Yes	No (but recommended)
◆ Tax abatement only	Yes	Abatements, grants, gifts
◆ Must serve as public purpose	Yes	Yes
◆ May not be a gratuitous payment to a private entity	Yes	Yes
◆ Benefits limited to amount of taxes paid	Yes	No

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Chapter 312

Chapter 381

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|--|-----|-----|
| ◆ Payments are conditional on any one or more of:  | Yes | Yes |
| ◆ (a) creation of employment   |     |     |
| ◆ (b) construction of improvements   |     |     |
| ◆ (c) continued operation in the county for a stated period                                |     |     |
| ◆ (d) achieved minimum taxable values, or sales tax revenue                                |     |     |
| ◆ Additional administrative request for other local governmental agencies (CCAD) or cities | Yes | Yes |

# Comments / Questions