



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 1/16/2020	REFERENCE NUMBER: G-2451	SUBJECT: Adopt Ordinance Readopting Tax Abatement Guidelines and Criteria	PAGE: 1 of 1
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Chapter 312 of the Texas Tax Code enables the City of Benbrook to enter into a tax abatement agreement with an owner of taxable real property located in a reinvestment zone if the City has adopted guidelines and criteria. In addition, the City must readopt these guidelines and criteria every two years.

Staff does not recommend any changes to the guidelines previously adopted by the City Council. The proposed ordinance continues to provide the option to negotiate tax abatements for new or expanded manufacturing facilities with more than \$3,000,000 in new investment, or ten or more new employees. The guidelines also allow for tax abatements for new hotels with more than 50 rooms.

Tax abatement agreements are limited to ten years in length and a maximum of 100 percent of the new appraised value. Businesses are still responsible for taxes on the pre-improved value of the property. Tax abatements are not allowed within the TIF District boundaries. Although the City has had guidelines for tax abatement agreements since 1992, the City has never granted a tax abatement. However, having the abatement policy provides an opportunity to attract commercial and industrial developments.

RECOMMENDATION

Staff recommends that the City Council approve readopting the guidelines and criteria for tax abatement agreements.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE: