

RESOLUTION NO: _____

A RESOLUTION OF THE COMMISSIONER'S COURT OF THE COUNTY OF MARION, TEXAS, ADOPTING A TAX ABATEMENT POLICY

WHEREAS THE County of Marion wishes to adopt a tax abatement policy; and

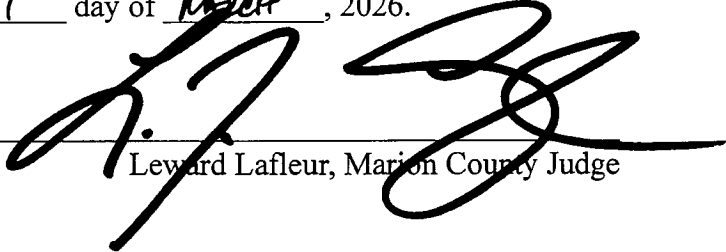
WHEREAS the County of Marion believes it to be in the public interest to institute such a policy; and as a result, job retention and expansion of primary employment and attraction of major investment would occur and contribute to the economic development of the County; and

WHEREAS a tax abatement policy provides a valuable economic tool for use by the County and others interested in supporting and creating jobs in the Marion County area;

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS' COURT OF THE COUNTY OF MARION, TEXAS, that the Commissioner's Court of the County of Marion, Texas hereby adopts the following:

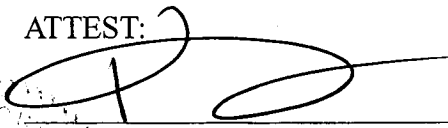
TAX ABATEMENT ATTACHED AS "EXHIBIT A"

PASSED AND APPROVED THIS the 9 day of August, 2026.

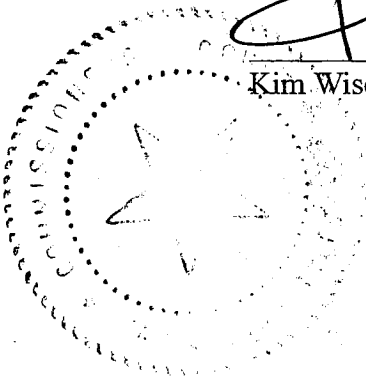


Leward Lafleur, Marion County Judge

ATTEST:



Kim Wise, Marion County Clerk



“EXHIBIT A”

TAX ABATEMENT GUIDELINES

Sec. 1. Definitions

- (a) "**Abatement**" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Marion for economic development purposes.
- (b) "**Affected jurisdiction**" means the County of Marion, and any other taxing jurisdiction with any substantial parts of its area located in Marion County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.
- (c) "**Agreement**" means a contractual agreement between a property owner or lessee, or both, and an affected jurisdiction for the purposes of tax abatement.
- (d) "**Base year value**" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (e) "**Deferred maintenance**" means improvements necessary for continued operations that do not improve productivity or alter the process or technology.
- (f) "**Distribution Center Facility**" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, primarily to receive, store, service, or distribute goods or materials owned by the facility operator.
- (g) "**Expansion**" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- (h) "**Economic Life**" means the number of years the property improvement is expected to be in service in a reinvestment zone.
- (i) "**Employee**" means the person whose employment is both permanent and full-time, who works for and is an employee of the Owner or an employee of the contract provider to the Owner, who works a minimum of 1,740 hours per year exclusively within the reinvestment zone, who receives industry-standard benefits, and whose employment is reflected in the Owner's (and/or contract provider's, as applicable) quarterly report filed with the Texas Workforce Commission (TWC); but *excluding* any direct contract (seasonal, part-time, and equivalent).
- (j) "**Expansion**" means addition of buildings, structures, or fixed-in-place machinery and equipment for purposes of increasing production capacity.
- (k) "**Facility**" means property improvements completed or in the process of construction that together comprise and integral whole.

- (l) "**Manufacturing Facility**" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (m) "**Modernization**" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- (n) "**New Facility**" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- (o) "**Other Basic Industry**" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.
- (p) "**Productive life**" means the number of years a property improvement is expected to be in service in a facility.
- (q) "**Regional Distribution Center Facility**" means buildings and structures, including fixed-in-place machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator where the majority of the goods or services are distributed to points at least 100 miles from any part of the County boundaries.
- (r) "**Regional Entertainment Facility**" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.
- (s) "**Research Facility**" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (t) "**Research and Development Facility**" means buildings and structures, including fixed-in-place machinery and equipment, used or to be used entirely for research or experimentation to improve or develop current technology in biomedicine, electronics or pre-commercial emerging industries.
- (u) "**Regional Service Facility**" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.

- (v) "**Renewable Energy Resource**" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5 along with any and all associated and affiliated equipment.

Sec. 2. Criteria for Abatement and Designation of Reinvestment Zone.

- (a) **Authorized facility.** A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.
- (b) **Creation of new value.** Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement between Marion County and the property owner or lessee, subject to such limitation as Marion County may require.
- (c) **New and existing facilities.** Abatement may be for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible property.** New, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Marion County, but does not include facilities which are intended to primarily to provide goods or services to residents or existing businesses located in Marion County, such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to hotels and office buildings.
- (e) **Ineligible property.** The following types of property shall be fully taxable and ineligible for abatement: land, inventories, temporary employee housing, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten (10) years
- (f) **Leased Facilities.** If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.
- (g) **Value and term of abatement.** A tax abatement agreement granted by Marion County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.
- (h) **Economic qualification.** In order to be eligible to receive tax abatement the planned improvement:

- (1) must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis, and
 - (2) must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Marion to another.
- (i) **Existing business.** Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, they may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$50,000.00 and modernization or expansion changes the appraised value to \$100,000.00, \$50,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)
- (j) **Taxability.** From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:
- (1) the value of ineligible property as provided in Section 2 (e) shall be fully taxable; and,
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and,
 - (3) The additional value of new eligible property shall be taxable in the manner described in Section 2(g & i).

Sec. 3. Application and Hearing

- (a) Any present or potential owner of taxable property in the jurisdiction of the Taxing Entities of the County of Marion, Texas may request tax abatement by filing a written request with the Marion County Commissioners Court via the office of the County Judge. Electronic or facsimile transmission of documents, while informative, do not meet the requirements of this section.
- (b) The application shall consist of a completed application form accompanied by a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken including their estimated cost; a descriptive list of the improvements that will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements; and an estimate of the number of permanent jobs created or preserved. The application shall include financial and other information that may be appropriate for evaluating the financial capacity of the applicants and any associated or affiliated entities and any other factors.

Payment of Marion County's application fee of \$1,000 shall accompany the application along with the applicant's agreement to pay the costs of publishing the statutorily required notices and reasonable attorney and consulting fees as may be incurred by Marion County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement. In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the application.

- (c) After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame, the Commissioners Court shall choose to deny the application, consider the application, or consider the application on an expedited basis.
- (d) Consideration of Application. If the County determines that the application should be further considered, then the County Judge shall:
 - 1. Schedule a hearing on establishing a reinvestment zone which would generally encompass the proposed project; and prior to said hearing;
 - a. Advertise the public hearing in a local newspaper at least seven days in advance of the hearing. The advertisement should include the date, time, place and a general description of the proposed reinvestment zone.
 - b. Provide notice to the presiding officer of each taxing unit with jurisdiction over the property taxes within the proposed reinvestment zone to obtain public input on the application.
 - 2. Conduct a Public Hearing to create a Reinvestment Zone
 - a. At the hearing the Commissioners Court evaluates public input.
 - b. Evaluates the application against the criteria in Section 2 and decides whether to designate the property for which an abatement is sought as a reinvestment zone.
 - c. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted.
 - d. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect.
 - 3. Consider and Act on the proposed Abatement Agreement
 - a. Must occur at a regularly scheduled meeting of Commissioners Court
 - b. Must be advertised in the local newspaper at least 30 days prior to the regularly scheduled meeting of Commissioners Court
 - c. The approval of an abatement agreement may include any modifications to the requested abatement deemed to be in the best interest of the County by the Commissioners Court

- d. Following approval of an abatement agreement but prior to executing it. The County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement.
- e. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.
- (e) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.
- (f) When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.
- (h) Tax abatement may not be approved if the County finds that the application therefore was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
- (h) Request for variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Marion County. Such request shall include all the items listed in Section 3 (b) above, together with a complete description of the circumstances that prompt the applicant to request variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

Sec. 4. Standards for denying Approval of Abatement.

- (a) If any affected jurisdiction is able to conclusively show cause in the public meeting why the granting of the abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity, or the providing of services, Marion County shall deny the approval of abatement.
- (b) An abatement agreement shall not be granted if it is determined that:
 - (1) there would be substantial adverse effect on the providing of government services
 - (2) the applicant has insufficient financial capacity;
 - (3) planned or potential use of the property would constitute a hazard to public safety, health, or morals; or,
 - (4) codes or laws would be violated.

Sec. 5. Effect of Approval of Application

Marion County Commissioners Court acts only for the taxing entity of Marion County and for no other taxing entity within Marion County. The County's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the effected jurisdictions may grant tax abatements, and enter into tax abatement agreements with applicants.

Sec. 6. Tax Abatement Agreements

The Marion County Commissioners Court after approval of an application shall enter into an agreement with the applicant. Such agreements shall be executed with the owner of the facility, and with the lessee when required. Such agreements shall include:

- (1) the estimated value to be abated and the base year value;
- (2) the percentage of value to be abated each year.;
- (3) the commencement date and the termination date of abatement;
- (4) the proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list as provided in application, Section 3 (b);
- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment as provided in Sections 2.
- (6) size of investment and of jobs involved with qualifiers as applicable including distinguishing between full time, part time and seasonal jobs as well as general skill levels and pay grades. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County. And;
- (7) the agreement shall stipulate that employees, or designated representatives, or both, of Marion County will have access to the reinvestment zone during the terms of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual. The agreement shall also stipulate the form and frequency of the required reporting to demonstrate both initial and ongoing compliance

Sec. 7 Recapture

- (a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting casualty or accident or natural disaster, for a period of one year during the abatement period, then

the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 30 days from the date of termination.

- (b) If the Marion County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period") , then the agreement may be terminated.
- (c) If the company or individual (1) allows its ad valorem taxes owed to the County of Marion, or any other taxing entity in Marion County, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period or (3) has liens or judgements filed against it by the IRS or (4) defaults in the payments of obligations to its creditors or is subject to a voluntary or involuntary bankruptcy transfer for the benefit of its creditors then the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

Sec. 8. Administration

- (a) The Chief Appraiser of the Marion County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief appraiser shall notify the affected jurisdictions that levy taxes of the amount of the assessment.
- (b) Upon completion of construction, the County Judge or a designated representative of Marion County shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

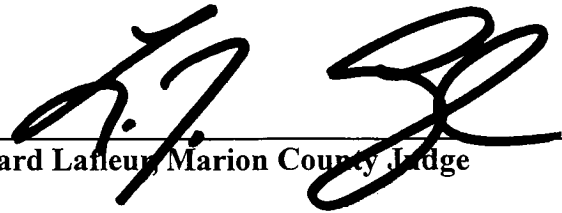
Sec. 9. Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Marion County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Sec. 10. Sunset Provision

The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by a three-quarters vote of the Marion County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

Moved, Seconded, and Passed , This the 9 day of Mar. , 2026



Leward Laneun, Marion County Judge

ATTEST:



Kim Wise, County Clerk

