

ORDINANCE NO. G-06-03-09-8B1

AN ORDINANCE AMENDING CHAPTER 1, SECTION 1.704, CODE OF ORDINANCES (1995 EDITION), CITY OF ROUND ROCK, TEXAS TO AMEND AND RE-ADOPT GUIDELINES AND CRITERIA GOVERNING REINVESTMENT ZONES AND TAX ABATEMENT AGREEMENTS WITHIN THE CITY LIMITS OR EXTRATERRITORIAL JURISDICTION OF ROUND ROCK, TEXAS; PROVIDING A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

WHEREAS, the City of Round Rock must compete with other state and local governments across the nation currently offering tax abatements and other incentives to attract new industry and economic development; and

WHEREAS, new jobs and industries will benefit the local economy, strengthen the real estate market, and generate future tax revenue; and

WHEREAS, pursuant to Section 312.201 of the Tax Code, V.A.T.S., the city may not designate an area as a reinvestment zone and may not enter into a tax abatement agreement unless the City Council has established guidelines and criteria governing tax abatement agreements; and

WHEREAS, the City of Round Rock desires to adopt said guidelines and criteria; Now Therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS THAT:

I.

Section 1.704 of the Code of Ordinances (1995 Edition) of the City of Round Rock, Texas is hereby amended to read as follows:

1.704 TAX ABATEMENT GUIDELINES AND CRITERIA GOVERNING REINVESTMENT ZONES AND TAX ABATEMENT AGREEMENTS

(1) Authorization of Abatement

(a) Economic Qualifications. In order for the owner of property within a reinvestment zone to be eligible to receive tax abatement, the owner must show that the planned project will benefit the City in some or all the following six categories:

- (i) primary and non-primary jobs;
- (ii) improvements to real property and/or investment in personal property;
- (iii) sales tax;
- (iv) employee payroll;
- (v) diversity in the economic base; and
- (vi) synergy for additional economic development and/or intangible benefits to the City.

The planned project will be awarded points in the aforesaid categories to determine whether or not it is eligible for consideration for an abatement and what level of abatement is available. The criteria for awarding points and the various levels of tax abatement available are shown in subsections (7), (8) and (9).

(b) Creation of New Value. Abatement may be granted for real property in each year covered by an agreement only to the extent its value for that year exceeds its value for the year in which the agreement is executed. Abatement may be granted for tangible personal property located on the real property in each year covered by the agreement other than tangible personal property that was located on the real property at any time before the period covered by the agreement with the City and other than inventory and supplies.

(c) Agricultural Exemptions Denied. No tax abatement shall be granted for any real property unless and until full market value taxes have been paid for five years prior to the execution of a tax abatement agreement.

(d) Industrial Districts. No tax abatement shall be granted for any property included in an Industrial District.