

**City of Palacios  
Tax Abatement Program  
Administrative Procedures  
And Residential Application**

**RESIDENTIAL TAX ABATEMENT**

The following is an outline of recommended steps for review and consideration of applications for tax abatement in the City of Palacios based on the requirements contained in the Property Redevelopment and Tax Abatement Act (Tax Code, Chapter 312) and the "Guidelines and Criteria for the Granting of Tax Abatement in the City of Palacios," adopted by the City Council on August 5, 1996, re-adopted and amended on July 3, 2006, re-adopted and amended on July 9, 2013, and re-adopted and amended on March 28, 2017.

**RESIDENTIAL TAX ABATEMENT APPLICATION**

**All applicants must complete the Residential Tax Abatement Application with Tax Certificates related to the project before construction begins.**

**Receipt of Application**

Upon Receipt of an application for tax abatement, the original and two (2) copies should be dated. The original should be placed in a central file in the City Clerk's office.

One copy should be delivered to the City Tax Appraisal District Office and two copies should be provided to the City of Palacios.

**Analysis of Application**

Prior to approving the resolution providing for a tax abatement agreement, the City Council shall request the following information:

The City Manager will determine if the project is eligible under Section 2(a) and Section 12 of the Guidelines and Criteria, if the application was submitted prior to the commencement of construction as provided in Section 2(b), and will review the description of improvements to determine if the value of the improvements exceeds the \$75,000 minimum requirement.

The Matagorda County Tax Office will determine if the applicant is delinquent in payment of taxes to the City or other affected taxing jurisdictions. Applicant shall provide a tax certificate request from the Matagorda County Tax Office with the application.

The City Manager shall determine whether the application is in compliance with the adopted Guidelines and Criteria. If a variance from the Guidelines and Criteria is

requested, the City Manager shall determine if the request is consistent with the requirements provided in Section 12 of the Guidelines and Criteria.

**Annual Determination of Taxable Value**

At the inception of the tax abatement agreement, the Matagorda County Central Appraisal District shall determine the base value of the completed property. The base value of the project is defined as the appraised value of the January 1<sup>st</sup> prior to the execution of the agreement, plus the value of any improvement made between January 1<sup>st</sup> and the date of the agreement.

Annually, the Matagorda County Central Appraisal District shall determine the taxable value of the facility based on the Guidelines and Criteria and report such value to all affected taxing jurisdictions.

Annually, the City if so designated by the City shall determine whether the property improvements described in the application for abatement and has complied with the minimum investment and present such information to the City Manager with a recommendation on whether to continue or to terminate the agreement for non-compliance.

**Recapture in the Event of Non-compliance**

If a residence is not in compliance with the abatement agreement or the owner becomes delinquent in payment of any taxes, the City Manager shall provide notice to the owner of the determination of non-compliance and establish a deadline for resolution of the compliance issues as provided in Section 7(b) of the Guidelines and Criteria. If the compliance issues are not resolved, the City Manager shall provide the owner and the Matagorda County Central Appraisal District notice of termination of the abatement agreement. The Matagorda County Central Appraisal District shall recapture all taxes previously abated by virtue of the agreement as provided in Section 7(c)(2) of the Guidelines and Criteria.

**Consideration of the Resolution to Grant Tax Abatement**

At a regularly scheduled meeting of the City Council, the Council members shall consider the application for tax abatement.

### **Execution of an Abatement Agreement Contract**

Following approval of the resolution, the City Manager shall prepare an abatement agreement will be executed that, at a minimum lists:

- (a) The kind, number, and location of the proposed improvements;
- (b) Provides access to and authorizes inspection of the property by City employees to ensure that the improvements are made according to the terms and conditions of the abatement agreement;
- (d) Limits the use of property consistence with the general purpose of encouraging development or redevelopment of the zone during the period of the agreement, and
- (e) Provides for recapturing property tax revenue tax lost as a result of the agreement if the owner of the property fails to keep the property taxes current as provided for in the agreement.

The application for abatement should be attached to and incorporated within the abatement agreement.

(a) **Amount of Tax Abatement**

The tax abatement must adhere to the following schedule:

- Year 1 – 75% abatement
- Year 2 – 50% abatement
- Year 3 – 35% abatement
- Year 4 – 25% abatement
- Year 5 – 15% abatement

City of Palacios  
Application for Residential Tax Abatement

**Filing Instructions**

This application must be filed prior to the commencement of construction or the installation of equipment associated with the project for which the abatement is being sought. This filing acknowledges that the applicant has read and understands the "Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone the in City of Palacios," approved by the City Council on August 5, 1996; and re-adopted and amended on July 3, 2006; and re-adopted and amended on March 28, 2017. Furthermore, the applicant agrees to comply with all requirements stated in the Guidelines.

This application will become a part of any tax abatement agreement or contract executed between the applicant and the City of Palacios, and knowingly false representations therein will be grounds for voiding such agreement or contract.

An original and two copies of this application and attachments should be submitted to:

City Manager  
City of Palacios  
Post Office Box 845  
Palacios, Texas  
77465

**Applicant Information**

Owner's Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Street Address \_\_\_\_\_

Phone Number: ( \_\_\_\_ ) \_\_\_\_\_

Fax Number: ( \_\_\_\_ ) \_\_\_\_\_

Email: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_

Contact Person's Title: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_

Fax Number: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

Second Contact Person/Title: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_

Fax Number: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

Appraised Value of Land: \_\_\_\_\_

Estimated total value of improvements: \_\_\_\_\_

Estimated Cost to Build: \_\_\_\_\_

Building Contractor: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_

Fax Number: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

Interim Construction Lender: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_

Fax Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Email: \_\_\_\_\_

Mortgage Lender: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Phone Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Fax Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Email: \_\_\_\_\_

Estimated date Construction to Begin: \_\_\_\_\_

Estimated date of Completion of Project: \_\_\_\_\_

Project Location (Address and Legal Description, Please provide a map if available):

**CONSTRUCTION INFORMATION:**

Anticipated date construction will begin: \_\_\_\_\_

Anticipated date construction will be completed: \_\_\_\_\_

**Variance**

Does approval of this application by the City Council require a variance from the Guideline and Criteria, adopted by the City Council on July 6, 1998; readopted and amended on July 3, 2006; readopted and amended on July 9, 2013, and readopted and amended on March 28, 2017.

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**If "Yes", applicant must provide a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for a variance requires a three-fourths (3/4) vote of the governing body.**

Attachments

All applications must contain the following attachments. The City Council may not review an application until the requested information has been provided:

- (a) A map of the project location and legal property description (including current ownership).
- (b) Site plan
- (c) Building plans
- (d) Tax certificate request completed by the Matagorda County Tax Office

Assurances

I do hereby certify:

- (a) The information provided above is, to the best of my knowledge, complete and accurate.
- (b) That I have received and read a copy of the "Guidelines and Criteria for Granting Tax Abatement Reinvestment Zone in the City of Palacios," re-adopted and amended on March 28, 2017, and that I understand the conditions and terms under which a tax abatement agreement may be executed.
- (c) That employees and/or designated representatives of the City shall have access to the facility during the period of the abatement agreement to determine if the company is in compliance with the terms and conditions of the agreement, as provided in Section 7(b) of the "Guidelines and Criteria," referenced above. I understand that participation in an abatement agreement does not remove any obligation to satisfy all codes and ordinances issued by the City or any other affected taxing jurisdiction that may be in effect and applicable at the time this project is implemented.

Each address is an Individual and unique application and will be approved on a case by case basis.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Applicant