

PANHANDLE GROUNDWATER CONSERVATION DISTRICT GUIDELINES AND CRITERIA FOR TAX ABATEMENT

I. Purpose of Guidelines and Criteria

The Panhandle Groundwater Conservation District (the "District") is committed to managing and protecting the groundwater resources of the District. The District was created to help maintain a sustainable, adequate, reliable, cost effective and high quality source of groundwater to promote the vitality, economy and environment of the District. The District works with and for the citizens of the District and cooperates with other local, regional and state agencies involved in the study and management of groundwater resources to accomplish these objectives. With these goals in mind along with the statutory mandate set forth in the District's enabling legislation and Chapter 36 of the Texas Water Code, the District considers tax abatement requests and bases its decisions whether to grant or deny such requests on the criteria set forth in these guidelines.

The District seeks to streamline the tax abatement application and review process for all applicants, and recognizes that applicants must adhere to the application process required by other taxing units. **To ensure an efficient though comprehensive application process, applicants requesting tax abatement from the District shall provide the same application submitted to a County or City ("Entity") under Section 311.003 Texas Tax Code. The District may supplement the Entity's application with information addressing the additional criteria set forth in these guidelines relating exclusively to the District.**

All applications requesting tax abatement from the District shall be considered on an individual basis regarding both the applicant's qualification for abatement and the amount of the abatement. The decisions of other taxing units, to grant or deny tax abatement do not bind the District, and the District shall evaluate all requests within the context of the District's management plan, rules, and statutory mandate.

II. Definitions

Applicable definitions are those set forth in the Entity's guidelines, all definitions applicable exclusively to the District are set forth in the District's rules and management plan.

III. Guidelines and Criteria Related to the District

Improvements eligible for abatement are the same as those set forth in the requesting Entity's guidelines.

In addition to the factors set forth in the Entity's guidelines, requests for abatement will be evaluated according to factors relevant exclusively to the District, including, but not limited to, the following:

- (1) **Impact to Groundwater Resources.** The development's potential impact to the

major and minor aquifers and groundwater resources within the District's boundaries; potential effects on continued water availability; potential contamination related to the proposed developments; and/or the costs associated with protecting the groundwater resources within the District.

- (2) **Economic Impact.** The development's potential economic impact on the District; the estimated amount of projected payment if there were no tax abatement; and/or the potential costs associated with regulating and monitoring the development.
- (3) **Water Conservation Strategies.** The Entity should consider implementing water conservation measures during the construction of new or existing facilities. The Entity shall submit a water conservation plan to the District Board of Directors with their original application. That Entity may contact the General Manager with any questions regarding the plan.

IV. Abatement Authorized

Authorization applicable to the District shall be governed by the criteria set forth in Section III of these guidelines and the Entity's guidelines, with the exception that the District may grant abatement for any amount in the District's discretion, or may enter an agreement for a payment in lieu of taxes (a "PILOT" agreement).

V. Abatement Application

In addition to the Entity's application requirements, applications submitted to the District shall be supplemented with separate documentation addressing the factors and criteria relating exclusively to the District, as set forth in Section III of the District's guidelines. Applicants shall use the same application as that submitted to the Entity, and shall affix thereto the supplemental documentation addressing the additional information required by the District.

VI. District Review and Final Determination

- (a) The District's General Manager may consult with the requesting Entity's designated economic development coordinator to determine if any considerations presented through the Entity's notice and hearing process to establish a reinvestment zone are applicable to the District. Upon designation of a reinvestment zone by the Entity, the District shall process and review the tax abatement application.
- (b) The District's Board of Directors shall take action during a properly noticed board meeting to approve or deny the application for tax abatement in full or in part, or to authorize an agreement providing for payment in lieu of taxes. The District may adopt in whole or in part a tax abatement agreement executed by the Entity, or may grant or deny a tax abatement request with terms that differ from the abatement granted by other taxing units, including the requesting entity, or may enter into an agreement for a payment in lieu of taxes.
- (c) The District is subject to notice requirements of the Texas Open Meetings Act, and

not the special notice requirements and hearing requirements set forth in the Entity's guidelines.

- (d) In addition to the factors and criteria set forth by the Entity's guidelines, the District shall evaluate those factors and criteria applicable exclusively to the District, as set forth in Section III of these guidelines, when making decisions on all tax abatement applications.
- (e) The District shall take action on the application within sixty (60) days after receipt of the application, subject to the designation of a reinvestment zone by the Entity. The District's General Manager shall notify the applicant of the decision to grant or deny the request.

VII. Agreement

- (a) After consideration of all the factors and criteria and upon approval of the tax abatement application, the District shall take formal action on a tax abatement application and execute an agreement with the applicant, which shall include the same information as required by the requesting Entity's guidelines.
- (b) An agreement shall be executed within sixty (60) days after District approval of the tax abatement request.
- (c) All agreements executed by the District shall conform with Texas Property Tax Code, Chapter 312.

VIII. Recapture and Cancellation of the Agreement

In addition to the criteria set forth by the requesting Entity's guidelines, the agreement executed by the District shall be revoked and all taxes previously abated by virtue of the agreement will be recaptured and paid to the District within sixty (60) days of the termination if the District finds that the applicant:

- (1) is in violation of the agreement executed by the requesting Entity; or
- (2) is adversely affecting the groundwater resources within the District; or
- (3) conducts activities inconsistent with the District's goals; or
- (4) is in violation of the terms and conditions of the abatement agreement executed by the District.

IX. Administration

Administration applicable to the District shall be governed by the criteria set forth in the requesting Entity's guidelines.

X. Assignment

Assignments applicable to the District shall be governed by the criteria set forth in the requesting Entity's guidelines.

XI. Sunset Provision and Agreement Modification

- (a) Pursuant to Texas Property Tax Code, Chapter 312, these guidelines and criteria are effective upon the date of their adoption and will remain in effect for two (2) years.
- (b) The agreement executed by the District may be modified by the parties to the agreement to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was approved and executed. The original agreement may not be modified to extend beyond 10 years from the date of the original agreement.

XII. Severability and Restrictions

If any one or more of the provisions contained in these guidelines shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and these guidelines shall be construed as if such invalid, illegal, or unenforceable rule or provision had never been contained herein.

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RESOLUTION
R23-04

**PROVIDING THAT PANHANDLE GROUNDWATER CONSERVATION DISTRICT
(the "DISTRICT") REAUTHORIZES TAX ABATEMENT GUIDELINES AND
CRITERIA AS AUTHORIZED BY CHAPTER 312 OF THE TEXAS TAX CODE**

WHEREAS, a Texas groundwater conservation district may enter into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code (the "Code") only if the governing body of such district has previously adopted a resolution stating that the district elects to be eligible to participate in tax abatement and establishes guidelines and criteria;

WHEREAS, the District desires to be eligible to participate in tax abatement under the Code and participate in tax abatements thereunder; and

WHEREAS, the District desires to reauthorize the Tax Abatement Guidelines and Criteria in the form attached hereto at Exhibit A as the District's guidelines and criteria for tax abatement under the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PANHANDLE GROUNDWATER CONSERVATION DISTRICT THAT:

1. The District hereby elects to continue, renew, and extend its authorization to participate in tax abatements in accordance with Chapter 312 of the Code; and
2. The District hereby adopts its Tax Abatement Guidelines and Criteria for participating in tax abatements.

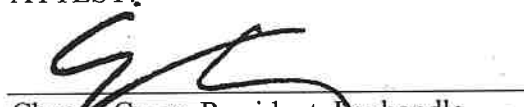
PASSED, APPROVED, AND ADOPTED on November 14, 2023.

**PANHANDLE GROUNDWATER
CONSERVATION DISTRICT**



Britney Britten, General Manager

ATTEST:



Chaney Cruse, President, Panhandle
Groundwater Conservation District