

TAX ABATEMENT POLICY SUMMARY



MONTGOMERY COUNTY, TEXAS

Effective January 24, 2023

- **CAPITAL INVESTMENT & JOB CREATION CRITERIA:** A business must invest a minimum of \$10 million in capital improvements and create a minimum of 10 new jobs to qualify for a tax abatement.
- **ABATEMENT SCHEDULES:** The following abatement schedules used as a guideline by the Commissioners Court in granting tax abatements.

CAPITAL INVESTMENT	NUMBER OF MINIMUM FULL TIME JOBS	RECOMMENDED ABATEMENT SCHEDULE
\$10 - 50 million	10	Year 1: 100% (construction) Year 2: not to exceed 100% Year 3: not to exceed 80% Year 4: not to exceed 60% Year 5: not to exceed 40%
\$50 - 100 million	10	Year 1: 100% (construction) Year 2: not to exceed 100% Year 3: not to exceed 100% Year 4: not to exceed 100% Year 5: not to exceed 80% Year 6: not to exceed 60% Year 7: not to exceed 40%
+ \$100 million	10	Maximum 10 Years: % of abatement each year to be determined

Tax abatements may only be granted for new capital investment made subsequent to and specified by an abatement agreement between the Commissioners Court and the property owner/lessee.

At the time of filing an application for tax abatement, an applicant must pay a non-refundable application fee of \$1,000.

Section 312.207 and Section 312.404 of the Texas Tax Code require Montgomery County to provide public notice at least 30 days prior to the public meeting at which it will consider approval of a proposed tax abatement agreement which notice must contain (1) the name of the property owner and the name of the applicant for the agreement; (2) the name and location of the reinvestment zone in which the property subject to the agreement is located; (3) a general description of the nature of the improvements or repairs included in the agreement; and (4) the estimated cost of the improvements or repairs.