

A RESOLUTION OF THE CITY OF HENDERSON CITY COUNCIL  
ESTABLISHING GUIDELINES AND CRITERIA GOVERNING TAX  
ABATEMENT AGREEMENTS BY THE CITY OF HENDERSON, TEXAS

**WHEREAS**, Texas Tax Code Section 312.002 provides that no municipality or county may designate an area as a reinvestment zone and that no taxing unit may execute a tax abatement agreement under Texas Tax Code 312, unless it first (i) establishes guidelines and criteria for tax abatement agreements and (ii) adopts a resolution stating that the taxing unit elects to become eligible to participate in tax abatement; and

**WHEREAS**, the City of Henderson, Rusk County, Texas desires to be eligible to participate in tax abatement under certain circumstances.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Henderson, Texas that:

**ARTICLE I**

The City of Henderson elects to be eligible to participate in tax abatement.

**ARTICLE II**

The following guidelines and criteria are hereby established and shall hereafter govern tax abatement agreements by the City of Henderson, Texas:

- (1) Improvements proposed as part of a tax abatement agreement for property located within a duly designated reinvestment zone shall be commenced within one (1) year of the date of said agreement.
- (2) All construction proposed as part of any such improvements shall meet applicable City of Henderson, Texas Codes and Zoning requirements.
- (3) All property included in a tax abatement shall be maintained in accordance with all applicable City of Henderson, Texas, Codes and Zoning requirements during the term of the tax abatement agreement.

- (4) Throughout the tax abatement agreement, the owner(s) or persons in possession and control of the improvements located thereon which is included within an area which is the subject of a tax abatement agreement shall pay all lawfully assessed ad valorem taxes levied on such property before the same shall become delinquent.
- (5) In the event that any improvements constructed as part of a tax abatement agreement are damaged or destroyed, regardless of the cause of such destruction or damage, the same shall be restored in a timely manner, within a time frame to be established by the City of Henderson City Council, but in no event shall such time period exceed one (1) year.
- (6) For property located in a commercial and/or industrial reinvestment zone, and proposed as the subject of a tax abatement agreement, the following criteria shall apply:
  - a. The proposed improvements must have the effect of increasing the value of the real property upon which they are located; and
  - b. The proposed improvements shall have the effect of adding to the available number of jobs and/or retaining existing jobs in the greater City of Henderson, Texas area.
- (7) For residential property located in a residential reinvestment zone and proposed as the subject of a tax abatement agreement, the following criteria shall apply:
  - a. The proposed improvements shall address the blighting or deteriorating influences on the subject property; and
  - c. The proposed improvements shall address building safety, unsanitary or unsafe conditions, or property deterioration; and
  - c. Where applicable, the improvements shall address faulty lot layout with respect to size, accessibility, or usefulness.
- (8.) All improvements proposed as part of a tax abatement agreement shall further the purposes established by the Legislature of the State of Texas in Chapter 312 of the Texas Tax Code.
- (9.) In accordance with Texas Tax Code Section 312.002, these guidelines and criteria shall not limit the discretion of the City of Henderson to decide whether to enter into a specific tax abatement agreement. Accordingly, the City may enter into a particular tax abatement agreement whenever it determines that it is in the best interest of the City to enter into such agreement and provide such abatement with respect to a particular applicant. In doing so, the City may vary from the provisions of this Tax Abatement Policy Statement in any respect that is not contrary to state law.

### ARTICLE III.

This resolution shall be effective from its establishment on July 19, 2022 for the full period authorized by the law.

PASSED, APPROVED AND ADOPTED this 19th day of July 2021.

Mayor John (Buzz) Fullen

**ATTEST:**

Cheryl Jimerson  
Cheryl Jimerson, City Secretary