

Mayor and Council Communication

DATE: 02/16/21

M&C FILE NUMBER: M&C 21-0110

LOG NAME: 19NEZTAXABATEMENTPOLICYRENEW2021

SUBJECT

(ALL) Adopt Resolution Stating the City of Fort Worth Elects to Remain Eligible to Participate in Tax Abatement Authorized by Chapter 312 of the Texas Tax Code and Establish a Neighborhood Empowerment Zone Tax Abatement Policy

RECOMMENDATION:

It is recommended that the City Council adopt the Resolution:

1. Stating that the City elects to be eligible to participate in property tax abatement, pursuant to the Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Property Tax Code, for areas located in Neighborhood Empowerment Zones; and
 2. Establishing a Neighborhood Empowerment Zone Tax Abatement Policy Statement including guidelines and criteria governing property tax abatements in a Neighborhood Empowerment Zone in the City of Fort Worth, Exhibit A to the resolution.
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DISCUSSION:

Chapter 312 of the Texas Property Tax Code authorizes cities to designate Tax Abatement Reinvestment Zones and to enter into Tax Abatement Agreements only after the City elects to become eligible to participate in tax abatement and adopts a policy that establishes guidelines and criteria to govern its Tax Abatement Program. A policy adopted by a city is effective for two years from the date of adoption.

The City's Neighborhood Empowerment Zone (NEZ) Tax Abatement Policy expired on January 29, 2021. Staff is not recommending any changes to the current NEZ Tax Abatement Policy. If the proposed resolution is approved, the new Policy will be effective February 2, 2021 through February 2, 2023 unless amended at an earlier date or repealed by a vote of at least three-fourths of the members of the City Council, thereby permitting the City to enter into Tax Abatement Agreements, as authorized by the Texas Tax Code Chapter 312.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this Resolution will have no material effect on the Fiscal Year 2021 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future fiscal years and will be included in the long term forecast.

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