

**Hopkins County  
Policy Statement,  
Criteria and Guidelines  
For Tax Abatements**



**I. General Purpose and Objective**

Hopkins County is committed to fostering a broad based as well as long-term program of Community Economic Development. That program will only be successful if the local economy consistently develops in a manner which provides the ways and means for the community as a whole to improve. The County possesses various tools to enhance and encourage economic development.

Through these tools the County will work to enhance the competitiveness and expansion potential of the industrial community; to attracting and encouraging new industry and investment; to improving the County and its infrastructure which attracts and supports development; and, to expanding the tax base, employment opportunities, and the overall quality of life for its citizens.

To that end, the citizens of Sulphur Springs on January 19, 1991 approved a half cent economic development sales tax. The City established the Sulphur Springs - Hopkins County Economic Development Corporations (EDC) to direct as approved by the City Council its Economic Development resources provided by the sales tax on economic development. As a result, the half cent sales tax is the primary funding source for all public economic development efforts and the City Council encourages the EDC to fund assistance to both existing businesses which seek to expand as well as new businesses looking to relocate to Sulphur Springs.

Upon a determination by the EDC that additional resources will serve to induce a specific economic development project, the EDC may request the County to assist the economic development efforts through its property tax abatement program. To provide ongoing assistance to existing businesses which seek to expand, the County may offer limited tax abatements as a manner of policy. If in the opinion of the EDC, the abatement program as herein constituted is not sufficient in a specific instance to provide the necessary incentives to a prospective business and EDC resources are not otherwise sufficient to fund additional incentives, the EDC may request the County to assist with property tax abatements greater than those set forth in the then effective Property Tax Abatement Schedule. In such a case the County reserves the right to negotiate any and all available incentives with any applicant, when the County deems that the applicant proposes a substantial economic impact to the local community.

Hopkins County offers a tax abatement program whereby tax abatements may be made available to industrial, manufacturing, and distribution centers, warehousing, and research facilities currently in Sulphur Springs/Hopkins County or locating in Sulphur Springs/Hopkins County. New facilities and structures as well as the expansion and modernization of existing facilities and structures, will be considered. Evaluation of a tax abatement request will be based on the information provided in the tax abatement application along with the criteria as stated in this policy. Hopkins County is under no obligation to provide tax abatements to any applicant.

## II. Criteria and Contractual Guidelines

- A. Property tax abatements will be given only to company operations engaged in manufacturing, distribution, warehousing, research and corporate offices. The County may also grant property tax abatements to non-profit industrial funds whose sole purpose is to provide economic development assistance to the overall community.
- B. Significant capital investment as well as job creation within Hopkins County are the primary objectives of the abatement program.
  - 1. Abatements will be given on new investment in personal and/or real property which will have in the judgement of the Hopkins County Appraisal District an economic life (depreciation schedule) of at least 10 years, and which must total \$500,000 or more. Personal property with a useful life of less than ten years is not eligible for tax abatement.
  - 2. Each contract must directly tie creation of a specific number of jobs to the abatement. The company applying for abatement shall agree as a condition of receiving an abatement to create at least fifteen (15) new full time jobs which shall continue for at least ten (10) years.
  - 3. If for whatever reason the company fails to provide all the jobs as per the contract, the abatement for that year will be reduced by the percentage of those jobs not created. However, that number cannot fall below fifteen (15). (Example: If 20 jobs are promised and only 15 are created, the abatement for that specific year will be 75% of the abatement for that specific year. If only 14 are created the abatement becomes null and void.)
  - 4. Each year, to be given credit for that year, each job must be in place and filled for longer than 8 months of the immediately preceding 12-month period.
- C. In special situations where an industry must significantly retool to be competitive, the County will consider abatements for job retention. However, it must be demonstrated that the nature of production and/or operations have changed in the industry whereby those jobs to be retained must be in significant danger of being lost to Sulphur Springs.
- D. Before the County can consider a tax abatement, the Economic Development Corporation (EDC) must recommend the abatement per the EDC's official policy guidelines. In the course of making that recommendation, the EDC will perform its Due Diligence per its policy and forward all findings to the County with its recommendation.
- E. Before an abatement in excess of percentages stated in Schedule A can be given, the County Finance Department with the assistance of the EDC staff will provide for the County Commissioners Court a cost benefit analysis of the proposed investment.
  - 1. Within the analysis, current operations as well as long-term infrastructure costs must be compared to direct and indirect economic benefits.