

disclosure of information by Statement 77.

Tax Increment Financing Districts (TIFs) provide for the segregation of property taxes and Economic Activity Taxes (50%) to be used to reimburse developers, or the City, for costs related to the Development of the TIF project. Since the Businesses in the TIF District do pay the full property taxes on the real estate, including the incremental increase, Statement 77 does not regard TIFs as granting a tax abatement, but regards the transaction as a reallocation of the property taxes to pay for Certified Reimbursable Costs rather than an abatement of the taxes.

Section 100, Section 353, and Land Clearance For Redevelopment projects allow the reduction of property taxes being paid by the owner of the property. Statement 77, regards those reductions as being tax abatements, and requires the disclosure of information regarding the amounts of tax abatement granted. This presentation provides information on the projects that are using the Section 100, Section 353 and LCRA tax incentives. The three programs have different methods for the property developer to obtain the tax abatement. With Section 100, the Developer transfers the title of the property to the City, and, as a tax exempt entity the City does not pay property taxes, which results in the developer having a 100% tax abatement. With Section 353, the Developer uses a non-profit entity to hold the property, which also results in a 100% tax abatement. With the LCRA, the developer retains title to the property but is granted a tax abatement on the incremental increase in value, which also may result in a 100% tax abatement for the period granted by the LCRA.

The information provided in this presentation includes the projects that are currently using the four tax incentive programs, and, the information on the amount of tax abatements that are being provided during Fiscal Year 2017.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

None

Presenter: Conrad E. Lamb

Recommendation: Not Applicable

Committee Recommendation: This was a presentation only.