



Incentives

Local Incentives



"380" Agreement

Provides for a percentage reimbursement of City sales and/or property taxes; Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity. In order to provide a grant or loan, a city must establish a program to implement the incentives. Before proceeding, cities must review their city charters or local policies that may restrict a city's ability provide a loan or grant.

"381" Agreement

Allows counties to provide incentives encouraging developers to build in their jurisdictions. A county may administer and develop a program to make loans and grants of public money to promote state or local economic development and to stimulate, encourage and develop business location and commercial activity in the county.

The county also may develop and administer a program for entering into a tax abatement agreement. This tool allows counties to negotiate directly with developers and businesses.

City Tax Abatements

City provides tax abatement on the value added to real property or new business personal property.

A tax abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to cities, counties and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements.

There is a five-step process by which a taxing unit can establish tax abatement agreements. The statutes governing tax abatements are located in chapter 312 of the Texas Tax Code.

County Tax Abatement

An additional program offered by Kaufman County, which provides up to ten years of negotiated tax abatement. This program provides a range of incentives dependent upon capital investment and the number of employees to be hired. At minimum, the prospective business shall add at least \$1,000,000 to the tax rolls and create at least ten jobs. It is applied for and approved by the Kaufman County Commissioners Court.

Facade Grant/Loan Program

Dedicate a certain amount of funds annually to provide facade grants to building owners in the downtown area. The program usually administered through the Main Street Advisory Board and the Main Street Office, but can be done by an EDO. The goal of the program is to provide funding assistance to improve and rehabilitate building facades in the downtown central area zone.

Grants are typically available at a 50/50 match from a minimum grant amount of \$300 to a maximum grant amount of \$5,000. The grant funds cannot exceed 50% of the cost of each project.

Fast Track Permitting/One Stop Shop

Single resource for all city permits and licenses; Whether you are looking to build a house or repair one, start a business or renew a business license, host a special event, or sell at one, this is your one place to start.

Free/Reduced permitting fees


City provides free or reduced permitting fees to entice business.

Freeport Exemption on "In transit" Inventory

Freeport Exemption on "In transit" Inventory (Single exemption based on only Kaufman County recognizing the exemption) - Ad valorem tax exemptions for goods that are detained in Texas for 175 days or less. Texas communities tax business inventory at the same rate as land, buildings, and equipment. However, Kaufman County exempts this tax on legally authorized inventory, provided the inventory is shipped out of the State of Texas within 175 days. For a list of authorized inventory and other information please review Texas Tax Code Chapter 11, Section 11.251.

Section 11.251 of the Tax Code provides for a freeport exemption applying to goods, wares, ores and merchandise other than oil, gas and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas) and to aircraft or repair parts used by a certificated air carrier . The freeport goods qualify if they leave Texas within 175 days from the date they are brought into or acquired in the state.

However, for cotton stored in a warehouse to qualify for the freeport exemption, Section 11.437 provides that the warehouse operator may file a one-time application for the exemption. Property qualifies as freeport goods whether or not the person who transports it out of the state was the person who owned the property on Jan. 1. Taxing units may elect to tax the goods notwithstanding the above. View Application Form 50-113 (PDF)

 [Freeport Exemption Form 50-113 \(/_literature_195977/Freeport_Exemption_Form_50-113\)](#) (124 KB)

Section 11.253 provides an exemption for "goods in transit", described as goods acquired inside or outside the state, detained at a facility in which the owner of the goods has no direct or indirect ownership of the facility, detained for storing purposes by the person who acquired or imported the property, and then shipped to another location in or out of this state within 175 days. The goods do not include oil, gas or petroleum products or special inventories such as motor vehicles or boats in a dealer's retail inventory. Taxing units may elect to tax the goods notwithstanding the above.

Sales Tax Rebates

City provides a rebate on a percentage of the sales tax paid by owner.

TIF (Kaufman County has a TIF District)

Special districts funded with increased tax revenues resulting from new private development. Tax rates are the same as elsewhere in the City and no added cost to private parties is incurred

Tax increment financing (TIF) is a tool that local governments can use to publicly finance needed improvements to infrastructure and buildings within a designated area known as a reinvestment zone. The cost of improvements to the reinvestment zone is repaid by the future tax revenues of each taxing unit that levies taxes against the property. Each taxing unit can choose to dedicate all, a portion of, or none of the tax revenue gained as a result of improvements within the reinvestment zone.

A reinvestment zone can be initiated by petition of the affected property owners or a municipality can initiate a reinvestment zone without the need for a petition. Although counties were authorized to form reinvestment zones by statute in 2005, it is unclear whether such zones would be legal without a constitutional amendment. Counties interested in initiating tax increment financing should seek the advice of legal counsel.

Once a city has begun the process of establishing a tax increment financing reinvestment zone, other taxing units are allowed to consider participating in the tax increment financing agreement. These zones are commonly referred to as either a tax increment financing (TIF) zone or a tax increment reinvestment zone (TIRZ).


There is a multi-step process by which a taxing unit can establish a tax increment financing zone. The statutes governing tax increment financing are located in chapter 311 of the Texas Tax Code.

State Incentives

Community Development Block Grant (TxCDBG) Program for Rural Texas

The primary objective of the Community Development Block Grant program is to develop viable communities by providing decent housing and suitable living environments, and expanding economic opportunities principally for persons of low- to moderate-income.

Eligible applicants are non-entitlement cities under 50,000 in population and non-entitlement counties that have a non-metropolitan population under 200,000 and are not eligible for direct CDBG funding from HUD may apply for funding through any of the Texas CDBG programs.

 [CDBG Program Application Guide \(/ literature_195778/CDBG_Program_Application_Guide\)](#) (1079 KB)

(https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs)

New Market Tax Credits

The NMTC program is a federal program operated by the Department of Treasury that provides opportunities for new development in traditionally underserved areas. Corporate or individual investors can receive tax credits for qualified investments.

(https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx?utm_source=HUD+Exchange+Mailing+List&utm_campaign=b64b94e191-Promise_Zones_Update_10_27_2015&utm_medium=email&utm_term=0_f32b935a5f-b64b94e191-19340809)

TX Department of Agriculture/Rural Municipal Finance Program

TX Department of Agriculture/Rural Municipal Finance Program

The Texas Agricultural Finance Authority (TAFA) was created in 1987 (through HB 49) as a public authority within the Texas Department of Agriculture. The program is designed to provide financial assistance for the expansion, development and diversification of production, processing, marketing and exporting of Texas agricultural products.

TAFA is guided by rules and regulations written in the Texas Constitution, Texas Agriculture Code, Chapters 44 and 58, and the Texas Administrative Code, Chapter 28. The Commissioner of Agriculture, along with the assistance of the Board of Directors shall administer and provide guidance through the Texas Agricultural Finance Authority.

Check it out (<https://texasagriculture.gov/GrantsServices/RuralEconomicDevelopment.aspx>)

TX Department of Agriculture/TX Capital Fund

Supports rural business development, retention and expansion by providing funds for public infrastructure, real estate development, or the elimination of deteriorated conditions.

Check it out

(<http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/TexasCapitalFund.aspx>)

Job Training/Workforce Grants: Employment & Training Administration (ETA)

The Department of Labor's ETA funds job training programs to improve the employment prospects of adults (<http://www.doleta.gov/programs/>), youth (http://www.doleta.gov/youth_services/), and dislocated workers (https://www.doleta.gov/DWGs/eta_default.cfm).

Programs are aimed at boosting workers' employability and earnings and are delivered primarily by states through the American Job Center Network (<https://www.careeronestop.org>) and tailored to local economies. Interactive map of American Job Centers (<http://www.doleta.gov/usworkforce/onestop/onestopmap.cfm>) by state.

Find training opportunities online CareerOneStop (<https://www.dol.gov/cgi-bin/leave-dol.asp?exiturl=http://www.careeronestop.org/>).

mySkills myFuture website (<https://www.myskillsmyfuture.org>) identifies local training opportunities which can help bridge your skills gap as you build a bridge from your last job to your next job.

Check it out (<https://www.dol.gov/dol/topic/training/index.htm>)

The Skills Development Fund

The Skills Development Fund is Texas' premier job-training program providing training opportunities for Texas businesses and workers. Funding for the program is administered by the Texas Workforce Commission. Success is achieved through collaboration among businesses, public community and technical colleges, Workforce Development Boards and economic development partners.

The Skills Development Fund program assists businesses and trade unions by financing the design and implementation of customized job-training projects. This fund successfully merges business needs and local customized training opportunities into a winning formula to increase the skills levels and wages of the Texas workforce.

Check it out (<http://www.twc.state.tx.us/businesses/skills-development-fund-employers#overview>)

Trinity Valley Community College

Continuing Ed offers training in Entry Level Medical careers, Computer & Business Systems, Accounting, Electrical, Drafting and Welding.

Business & Industry Contract Training:

The Continuing & Workforce Ed. TVCC will work with your company or group to design and deliver training for your special situation. We can assist with Staff Development, Employee Assessment, Group Seminars, Workshops and Conferences. Look to TVCC to help you with Customer Service, Leadership Training, Technology (including computers), Management Training, Language Training (Spanish, French, others) and Specialized Skills.

TVCC & Texas Workforce Commission work together to provide training for large and small businesses in Texas.

For more information, please contact our office at 903-675-6212.



The Skills for Small Business grants can help provide training for employers with fewer than 100 employees.

Check it out (<http://www.twc.state.tx.us/businesses/skills-small-business-employers>)



Larger businesses can partner with TVCC to obtain needed training for businesses with more than 100 employees.

Check it out (<http://www.twc.state.tx.us/partners/skills-development-fund>)
