

NOLAN COUNTY HOSPITAL DISTRICT
d/b/a ROLLING PLAINS MEMORIAL HOSPITAL

TAX ABATEMENT GUIDELINES AND CRITERIA

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property. Except as otherwise provided, all contracts will be identical.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Nolan County, Texas of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Nolan County, Texas to another.

In addition to the criteria set forth above, the Nolan County Hospital District d/b/a Rolling Plains Memorial Hospital (the "NCHD") reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of the NCHD to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the NCHD to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of June 26, 2017 and shall at all times be kept current with regard to the needs of NCHD and reflective of the official views of the NCHD and shall be reviewed every two years.

by means other than or in conjunction with expansion or modernization.

J. "Productive life" means the number of years a property improvement is expected to be in service in a facility.

Section 2 Abatement Authorized

A. Eligible facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.

B. Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the NCHD and the property owner or Lessee, subject to such limitations as the NCHD may require.

C. New and existing facilities. Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the NCHD and the property owner or Lessee, subject to such limitations as the NCHD may require.

D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten years.

F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with the Lessor and the Lessee.

G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net benefit to Nolan County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and 1 or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from Nolan County to another.

H. Standards for Tax Abatement. The following factors, among others, shall be considered in determining whether to grant tax abatement:

- I. Value of existing improvements, if any;

- I. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

A. Any present or potential owner of taxable property in Nolan County, Texas may request the creation of a reinvestment zone by filing a written application with the County Judge and filing an application with the NCHD.

B. The Application shall consist of a general description of the new improvements to be undertaken, a descriptive list of the improvements for which an abatement is requested, a list of the kind, number and location of all proposed improvements of the property, a map and property description, a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the Application. The NCHD may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.

C. The NCHD shall give notice as provided by the Texas Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the NCHD enters into the agreement.

D. If a city within Nolan County, Texas designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by the NCHD by following the same application process described in Section 3 A hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the NCHD deems them necessary in a particular case.

Section 4 Agreement

A. After approval, the NCHD shall formally pass a Resolution and execute an agreement with the owner of the facility, Lessee or proposed Lessee as applicable which shall:

- I. Include a list of the kind, number, location of all proposed improvements to the property;
2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
3. Limit the use of the property consistent with the taxing unit's developmental

to be located and performed within Nolan County, Texas.

6. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the NCHD, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the NCHD.

Section 5 Recapture

A. In the event that the company or individual:

1. Allows its ad valorem taxes owed to NCHD to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should the NCHD determine that the company or individual is in default according to the terms and conditions of its agreement, the NCHD shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.

Section 6 Administration

A. The Chief Appraiser of the Nolan County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the NCHD of the amount of the assessment.

B. The NCHD may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of the NCHD will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

C. Upon completion of construction, the designated representative of the NCHD shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the governing body of the NCHD.

Section 7
Assignment

Abatement may be transferred unci assigned by the holder to u new owner or lessee of the same facility upon the approval by resolution of the NCHD subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement arc guaranteed by the execution of a new contractual agreement with the NCHD. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

Section 8 Sunset
Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the governing body of the NCHD, at which time all reinvestment zones and tux abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

ADOPTED the 28th day of June 20~~17~~²¹.

NOLAN COUNTY HOSPITAL DISTRICT
d/b/a ROLLING PLAINS MEMORIAL HOSPITAL

By: Douglas K. Dippre

Name: DOUG DIPPRE

Its: OK

RESOLUTIONS ON TAX ABATEMENT

WHEREAS, Nolan County Hospital District d/b/a Rolling Plains Memorial Hospital (the "District") desires to participate in tax abatements in according with applicable laws; and

WHEREAS, the District desires to adopt guidelines and criteria (Guidelines") for entering agreements providing for such abatements; and

WHEREAS, the District wishes to consider the adoption of Tax Abatement Agreements that comply with the applicable laws and the Guidelines.

NOW THEREFORE, after due notice of the hearing and after discussion among the Board of Directors of the District, it is:

RESOLVED, that the District hereby elects to become eligible to participate in the abatement of taxes in accordance with Texas Tax Code §312.001 et. seq. on certain qualifying properly located in reinvestment zones adopted by Nolan County, Texas.

FURTHER RESOLVED, that the District hereby adopts the Guidelines as shown in Exhibit A attached hereto:

Motion by Rodney Foster.

Seconded by Linda Kite.

Passed and approved at the regular meeting of the District, at which a quorum was present on the 28th day of June 2021.


President

Carla Howard - Secretary