

### Texas

The State of Texas offers three primary incentive programs for attracting large-scale investment:

***The Texas Enterprise Fund*** – which is a discretionary cash grant that can be used to attract investment that provides a significant capital investment and high-income job creation. Grants have ranged in size from \$75,000 - \$1.5 million, and the fund has provided over \$600 million in grants since its creation in 2003. The state employs an analytical model to applications that evaluates the number of jobs created, expected timeframe, and average wages to determine an appropriate value for a grant. The fund is used as a means to “close the deal” with companies looking at a potential site in Texas and another out-of-state location.

***Tax Code Chapter 312*** – allows municipal governments to offer up 100% abatement of property taxes on all or part of capital assets and property for a period of 10 years to attract investment. Tax abatements are only valid for increases in the value of the property. Agreements are negotiated between local government and the company and must be approved during a public meeting. Agreements include clawback provisions to ensure compliance with conditions. Tax abatement does not extend to the education/school portion of the municipal tax levy (referred to as school Maintenance and Operations or “M&O”).

***Tax Code Chapter 313*** – allows a school district to offer a temporary limit on the taxable value of a new investment project in manufacturing, and environmentally friendly energy projects. Limitations cannot exceed 10 years and will vary in amount depending on the school district (current range is \$10 million - \$100 million). Limitations must be approved by the State Comptroller and must demonstrate that the project must generate more tax revenue than the amount of the benefit received.

### Louisiana

The State of Louisiana has multiple incentive programs, however the primary one used to attract large-scale development is the Industrial Tax Exemption Program. This is a jobs-based incentive program available to manufacturers and a small number of energy projects. Companies requesting an incentive must demonstrate significant job creation for new projects. Existing facilities and properties are also eligible but must demonstrate significant job retention to be eligible. Compliance with job creation/retention requirements are verified through state payroll filings. Eligible properties receive a property tax abatement of 80% on the annual tax levy for a period of 5 years, which is renewable for an additional 5 years. “Mega Projects” as defined by the legislation are eligible for 93% abatement for a 5 year period, renewable for an additional 5 years.

### Pennsylvania

The State of Pennsylvania identifies geographic areas within the state as “Keystone Opportunity Zones” (KOZs). Development within these zones are exempt from most taxes including state and local taxes, as well as business, corporate, and property taxes. Each zone has a specific duration period, during which

businesses within that zone may apply for tax exemptions. These duration periods can be extended by the State Government. Businesses requesting exemptions must do so annually through submission of an application. There are currently more than 2,000 KOZs within the State of Pennsylvania.

### **Saskatchewan & British Columbia**

The provinces of Saskatchewan and British Columbia both allow for municipal property tax incentives for a variety of purposes within legislation. The application of which varies by municipality. Some use tax incentives to attract residential and multi-family development or enhance mature areas such as downtown, while others focus on attracting industry such as manufacturing, oil and gas, or energy. The City of Saskatoon for example offers exemptions and/or reductions of municipal taxes and fees to attract investment that creates a minimum of 15 full time positions and is invests a minimum of \$500,000 in capital or improvement costs.

### **Wetaskiwin**

The City of Wetaskiwin recently implemented an incentive bylaw to attract new industrial and commercial development. Commercial development with a minimum of \$2 million in new building permit value will be eligible for exemptions to the annual tax levy for a period of 3 years equivalent to a 75% exemption within the 1<sup>st</sup> year, 50% exemption within the 2<sup>nd</sup> year, and 25% exemption within the 3<sup>rd</sup> year. Industrial development is eligible for the same tax exemptions, however there is no minimum building permit value required to be eligible.