



**TATE COUNTY, MISSISSIPPI  
TAX ABATEMENT PROGRAM  
POLICIES AND PROCEDURES**

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**Approved & Effective Date:**  
**Last Amended:**

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**SECTION I: GENERAL PURPOSE AND PROVISIONS**

Tate County, Mississippi, is committed to promoting economic development and high-quality job creation. The county's tax abatement program is designed to attract and support businesses through property tax incentives. The program offers a **75% reduction in property taxes for up to 10 years**, provided certain conditions regarding job creation and capital investment are met.

The tax abatement applies to the **Tate County millage rates**, excluding the school district millage rate, which currently stand at a maximum of **113 mills**. With the abatement:

- **84.75 mills will be abated** (75% of 113 mills), and
- The business will pay taxes on the remaining **28.25 mills** (25% of 113 mills).

This program ensures that businesses making substantial investments in Tate County can significantly reduce their property tax burden while meeting economic development and community benefit requirements.

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## SECTION II: DEFINITIONS

- **Applicant:** The business entity submitting an application for tax abatement.
  - **Capital Investment:** A minimum of **\$1,000,000** invested in land, buildings, machinery, or equipment for the project.
  - **Full-Time Job:** A position offering at least **1,600 hours of work annually** with a minimum of **50% employer-sponsored healthcare benefits**.
  - **Community Benefits Agreement (CBA):** A legally binding agreement between the applicant and Tate County ensuring direct community benefits, including workforce development and local infrastructure improvements.
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## SECTION III: GENERAL TAX ABATEMENT OBJECTIVES AND PROVISIONS

### A. Minimum Eligibility Requirements

To be eligible for the tax abatement program, applicants must meet the following criteria:

1. **Job Creation:** The project must create at least **20 full-time jobs** within Tate County.
2. **Capital Investment:** A minimum capital investment of **\$1,000,000** is required.
3. **Employer-Sponsored Healthcare:** The applicant must provide at least **50% employer-sponsored healthcare** for the employees holding the newly created full-time positions.
4. **Local and/or Minority-Owned Business Spend:** **25% of the total project costs** must be spent with **local (within the state) and/or minority-owned (in or out of state) businesses**.
5. **Community Benefits Agreement (CBA):** The applicant must enter into a **CBA** with Tate County, ensuring the project benefits the broader community (e.g., infrastructure improvements, workforce development).

## **B. Tax Abatement Structure**

The tax abatement will reduce **75% of the total millage rate** (currently maximum **113 mills**), resulting in:

- An abatement of **84.75** over a period of up to **10 years**, with
- The applicant responsible for paying taxes on the remaining **28.25 mills**.

## **C. Discretionary Approval**

The Tate County Board of Supervisors reserves the right to approve, deny or modify any tax abatement application. All applications are evaluated based on their economic benefits, job creation, capital investment, spending with local and/or minority-owned businesses, and overall impact on the local community.

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## **SECTION IV: APPLICATION PROCESS**

1. **Pre-Application Meeting:** Applicants are encouraged to meet with Tate County's Economic Development office to discuss the project scope and eligibility.
2. **Application Submission:** The application form must be completed and submitted to the Economic Development office, accompanied by:
  - A detailed project description.
  - Audited financial statements from the past three fiscal years.
  - A proposed timeline for job creation, capital investment, and compliance with the local and/or minority-owned business spending requirement.
3. **Application Fee:** A non-refundable fee of **\$3,000** must be submitted with the application. This fee will be applied toward closing costs if the project is approved.
4. **Review Process:** The application will be reviewed by the Tate County Board of Supervisors. A decision will be made within **60 days**, with the possibility of seeking input from local stakeholders regarding the Community Benefits Agreement.

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## **SECTION V: PAYMENTS AND CLOSING REQUIREMENTS**

1. **Closing Fee:** A fee equal to **5% of the estimated tax savings** will be assessed at the closing of the tax abatement agreement. The minimum closing fee is **\$1,500**, and the maximum is **\$250,000**.
  2. **Abatement Agreement:** Upon approval, the applicant and Tate County will enter into a legally binding agreement that outlines the tax abatement terms, job creation milestones, capital investment requirements, local and/or minority-owned business spending, and the Community Benefits Agreement.
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## **SECTION VI: EVALUATION AND COMPLIANCE**

1. **Annual Reporting:** Tax abatement recipients must submit an annual report detailing job creation, capital investment, spending with local and/or minority-owned businesses, and community benefit activities. These reports will be reviewed by the county to ensure compliance.
  2. **Audits:** Tate County reserves the right to conduct inspections and audits to verify the accuracy of the annual reports and the compliance of the business with the terms of the tax abatement agreement.
  3. **Non-Compliance Penalties:** Failure to meet the job creation, capital investment, local/minority-owned business spending, or healthcare coverage requirements may result in:
    - Termination or reduction of the tax abatement.
    - Repayment of tax savings to Tate County.
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## **SECTION VII: COMMUNITY BENEFITS AGREEMENT (CBA) REQUIREMENTS**

Each applicant must execute a **Community Benefits Agreement (CBA)** to ensure the project delivers tangible benefits to Tate County, including:

- **Local hiring initiatives** aimed at providing employment opportunities for county residents.
- **Infrastructure improvements** to support local development, including road, utility, or public services enhancements.
- **Workforce development programs** in collaboration with local educational institutions to upskill residents for job opportunities created by the project.

Failure to comply with the CBA may result in modifications to the tax abatement agreement, including its termination.

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**ADOPTED BY THE TATE COUNTY BOARD OF SUPERVISORS ON [DATE].**

**ATTEST:**