

**FINDINGS**  
**of the**  
***LA PORTE INDEPENDENT***  
***SCHOOL DISTRICT***  
***BOARD OF TRUSTEES***

**Under Chapter 313 of the**  
**Texas Tax Code**

**ON THE APPLICATION FOR**  
**APPRAISED VALUE LIMITATION**  
**ON QUALIFIED PROPERTY**

**SUBMITTED BY**

***CELANESE LTD.***

***Comptroller Application Number 1382***

**November 19, 2019**

**BOARD RESOLUTION #2019 - 19**

**RESOLUTION AND FINDINGS OF FACT  
of the**

**LA PORTE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES  
UNDER CHAPTER 313 OF THE TEXAS TAX CODE  
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION  
ON QUALIFIED PROPERTY  
SUBMITTED BY CELANESE LTD.**

STATE OF TEXAS §

COUNTY OF HARRIS §

LA PORTE INDEPENDENT SCHOOL DISTRICT §

**PREAMBLE**

On the 19<sup>th</sup> day of November, 2019, a public meeting of the Board of Trustees of the La Porte Independent School District (the “Board”) was held to solicit input from interested parties on the application by Celanese Ltd. (“Celanese” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Celanese for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the La Porte Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 18<sup>th</sup> day of June, 2019, the Board of Trustees for the La Porte Independent School District received an Application for Appraised Value Limitation on Qualified Property from Celanese, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for manufacturing, specifically expansion of the acetic acid production unit on the grounds of Celanese’s existing Clear Lake, Texas facility, utilizing existing Clear Lake technology, which would expand the acetic acid unit’s capacity from 1.3 million tons per annum to approximately 2.1 million tons per annum (the “Property”). *See* Application, Tab 4, attached hereto as Attachment A; *see also* Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination by the District that the Application was complete. The Comptroller acknowledged receipt of the Application on or about June 21, 2019. Thereafter, on or about July 29, 2019, the District, on behalf of the Applicant, submitted an Amendment No. 1 (Section 14, Tabs 3, 11, 13 and Schedules B and C), and the Applicant submitted a revised Schedule C as Supplement No. 1 on August 2, 2019. The Comptroller issued its notice of

completeness and determined the Application complete as of August 2, 2019, the Application Review Start Date. The Application, Amendment No. 1 and Supplement No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of August 2, 2019 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Celanese Ltd. is 17526225267. Celanese is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy.

The Application was delivered to the Texas Comptroller’s Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Harris County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller’s Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on August 7, 2019 that the Application be approved (the “Certificate Decision”). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of La Porte Independent School District. A copy of a report prepared by Moak, Casey & Associates and dated September 12, 2019 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Celanese Application in the La Porte Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within Category 2 of §313.022 of the Texas Tax Code at the time the Certificate Decision was issued. *See* “2018 Property Value Study Report,” attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Celanese regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant

to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). See copy of November 6, 2019 Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Celanese's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

**Board Finding Number 1.**

*Based on the Applicant's statement in Tab 4 of the Application that the proposed project consists of expansion of the acetic acid production unit on the grounds of Celanese's existing Clear Lake, Texas facility, and the Comptroller's Certificate Decision, it is determined that the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(1) as a manufacturing project.*

In support of Finding Number 1, the Comptroller's Certificate Decision states:

**Determination required by 313.025(h)**

\* \* \*

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

\* \* \*

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 8) and Attachment D.

**Board Finding Number 2.**

*The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period.*

In support of Finding Number 2, the Certificate Decision states:

**Certification decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

*See Attachment C.*

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

**Attachment B - Tax Revenue over 25 Years**

This [table] represents the Comptroller's determination that Celanese Inc. (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations *ad valorem tax* revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

*[see table on next page]*

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$840,000	\$840,000	\$1,243,488	\$1,243,488
	2022	\$840,000	\$1,680,000	\$3,134,834	\$4,378,322
	2023	\$840,000	\$2,520,000	\$3,054,977	\$7,433,299
	2024	\$840,000	\$3,360,000	\$2,976,717	\$10,410,016
	2025	\$840,000	\$4,200,000	\$2,900,023	\$13,310,039
	2026	\$840,000	\$5,040,000	\$2,824,862	\$16,134,902
	2027	\$840,000	\$5,880,000	\$2,751,205	\$18,886,107
	2028	\$840,000	\$6,720,000	\$2,679,021	\$21,565,127
	2029	\$840,000	\$7,560,000	\$2,608,280	\$24,173,407
	2030	\$840,000	\$8,400,000	\$2,538,954	\$26,712,362
Maintain Viable Presence (5 Years)	2031	\$3,311,015	\$11,711,015	\$0	\$26,712,362
	2032	\$3,244,435	\$14,955,450	\$0	\$26,712,362
	2033	\$3,179,186	\$18,134,636	\$0	\$26,712,362
	2034	\$3,115,242	\$21,249,878	\$0	\$26,712,362
	2035	\$3,052,577	\$24,302,454	\$0	\$26,712,362
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$2,991,165	\$27,293,620	\$0	\$26,712,362
	2037	\$2,930,982	\$30,224,602	\$0	\$26,712,362
	2038	\$2,872,002	\$33,096,604	\$0	\$26,712,362
	2039	\$2,814,202	\$35,910,805	\$0	\$26,712,362
	2040	\$2,757,558	\$38,668,363	\$0	\$26,712,362
	2041	\$2,702,046	\$41,370,409	\$0	\$26,712,362
	2042	\$2,647,645	\$44,018,055	\$0	\$26,712,362
	2043	\$2,594,332	\$46,612,387	\$0	\$26,712,362
	2044	\$2,542,085	\$49,154,472	\$0	\$26,712,362
	2045	\$2,490,884	\$51,645,356	\$0	\$26,712,362

\$51,645,356 is greater than \$26,712,362

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.  
Source: CPA, Celanese Ltd.

See Attachment D.

### Board Finding Number 3.

*The Applicant will create twenty-five (25) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$66,222.20 (\$1,274<sup>1</sup> per week), an amount equal to at least 110% of the County average weekly wage for manufacturing jobs in the Region as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.*

See Attachments A, D and J.

<sup>1</sup> The weekly salary the recited in Comptroller's Economic Impact Analysis is rounded to the nearest dollar; the Application (Tab 1, §14#7.c) provides for a weekly wage of \$1,273.50.

#### **Board Finding Number 4.**

***The Applicant does not intend to create any non-qualifying jobs.***

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$1,356 per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). See Attachments A and D.

See Attachments A and D.

#### **Board Finding Number 5.**

***Applicant has viable options to locate the proposed manufacturing facility in another location other than La Porte ISD because of the reported increase in demand for acetic acid in the global marketplace, and Celanese's ability to produce acetic acid at other locations outside of Texas and the United States that have more favorable economic factors. Therefore, the tax savings realized by the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and La Porte ISD.***

See Attachment C.

In support of Finding Number 5, the Comptroller's Certificate states, "[t]he Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." See Attachment C. The Economic Impact Analysis further states:

- This project was originally submitted to the Comptroller on December 18, 2018, and assigned application number 1324.
- May 10, 2019, the Comptroller's office received a notice regarding the withdrawal of Application 1324.
- June 21, 2019, La Porte Independent School District submitted to the Comptroller's office a new application for the property described in application number 1324, seeking an appraised value limitation for the expansion of the acetic acid production unit on behalf of Celanese Ltd. ( assigned application number 1382).
- Per Celanese Ltd. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "Celanese is a global technology and specialty materials company, producing chemicals and Advanced materials used in consumer products and industrial applications. Celanese is one of the world's largest manufacturers of acetic acid. Acetic acid, which is essentially highly concentrated vinegar, is a basic building block chemical for many products

such as paints, coatings, plastics, emulsions, fibers, foods and pharmaceuticals. Celanese's existing acetic acid manufacturing network is located in Clear Lake, Texas; Nanjing, China; and Singapore. The current network is strategically located to provide access to diverse feedstock options and the customer base."

- B. "Demand for acetic acid is growing on average at global GDP, but demand growth in Asia is nearly double. In early 2018 Celanese began an evaluation to reconfigure the global network. One option under consideration is the expansion of the existing acetic acid unit located at the Clear Lake, Texas facility. The scope of the project would be to increase acetic acid production by sixty percent. Celanese currently produces acetic acid, vinyl acetate monomer (a derivative of acetic acid), methanol, and carbon monoxide at the Clear Lake facility in Pasadena. Celanese provides utilities and infrastructure to the site and also hosts other multi-national companies that produce a variety of intermediate chemicals."
- C. "As you are aware, Celanese previously submitted a Chapter 313 application and subsequently withdrew that application due to concerns the Comptroller's Office expressed regarding statements made earlier indicating Celanese had chosen Clear Lake, Texas as the location for this investment. It is our desire to assure the Comptroller's Office that the statements were made solely based on a prior consultant's erroneous understanding of the Chapter 313 process, and therefore their misplaced guidance to Celanese. The prior consultant assured Celanese on January 25, 2019, that the "but for test" was met and on that account "announcements made, investments begun, options on land taken, permit filings, or other normal steps toward launching the project will not cause denial of Chapter 313 designation." Given this unqualified assurance, Celanese believed that the approval and determination process was sufficiently complete to ensure a successful application, and accordingly Celanese could begin moving forward with the project confident that the Chapter 313 Value Limitation benefits would be part of the decision-making equation."
- D. "Celanese was prepared to proceed with the acetic acid expansion at Clear Lake because we were assured that the Chapter 313 benefits were previously secured. In the absence of the Chapter 313 benefits the alternative sites we are actively considering remain attractive and economically competitive. No project activities Celanese has performed thus far commits the expansion to the Clear Lake site. The financial investments made to date in process design, engineering, cost estimation and procurement are transferrable to any location ultimately selected by Celanese. Without the Chapter 313 Value Limitation benefits, the expansion investment in Clear Lake, Texas is disadvantaged compared to those locations outside the United States."
- E. "Celanese is evaluating five potential locations: China; Clear Lake, Texas; India; Saudi Arabia; and Singapore. The evaluation includes consideration of five key areas that drive the economics: Raw material and energy availability and cost, Construction and capital costs, Transportation Logistics, Labor availability and cost, Project Incentives."

F. "The following graphic serves to illustrate the key economic drivers for each potential location and the relative advantages and disadvantages."

Alternative locations under consideration to USGC  
~\$400MM capital project



✓ Advantage X Disadvantage	EXPAND NANJING, CHINA	EXPAND CLEAR LAKE, TX	SINGAPORE	ESTABLISH JV IN SAUDI ARABIA	NEW INDIAN PLANT W/ JV PARTNER
RAW MATERIALS & ENERGY	X	✓	XX	✓	X
CONSTRUCTION/ CAPITAL	✓✓	✓	✓	✓	XX
LOGISTICS	✓	XXX	✓✓	✓	✓✓✓
LABOR	✓	X	✓	✓	✓
INCENTIVES & PROPERTY TAX EXPENSES	X	✓✓	✓	X	X

external/confidential

Celanese Corporation

1

G. "While the Clear Lake site competes well in a number of these areas, the cost and availability of labor, property tax expense and the significant transportation logistics challenges pose a problem and make other expansion options very strong candidates. Celanese's capital is allocated to projects based on expected return on investment. After the initial investment, a significant ongoing cost to operations at the Clear Lake, Texas location is the annual property tax expense. According to our preliminary analysis of potential property tax market valuations, future tax rates and Chapter 313 program costs, an appraised value limitation agreement under Chapter 313 could result in approximately \$31mm gross benefits in operating cost savings over the term of an agreement. This cost savings would provide Celanese a strong incentive to invest in the Clear Lake site."

H. "As discussed previously, Celanese has not committed to advancing the project in Clear Lake and our actions clearly lend support to that fact. Only front-end engineering design has been completed to assess facility location and develop a project cost estimate to determine location feasibility. The Celanese Board of Directors approved the expansion project contingent on the project economics presented, which for the Clear Lake option included approval of Section 313 tax abatement funding. No Engineering, Procurement and Construction Management firm agreement has been signed. No construction contractor has been selected and no agreement has been signed. Due to the long lead times necessary to obtain permits in Texas, the permit process is underway but no permits for the project have yet been obtained and can be cancelled without penalty."

I. "Celanese has placed long lead and high alloy equipment orders associated with a potential expansion. Due to the unique metal alloys, design of these items and various taxes and tariffs Celanese prefers to procure them from U.S. vendors regardless of where Celanese chooses to construct the project. Celanese understands and respects the value of the Chapter 313 process."

We are currently evaluating expanding our methanol unit at the Clear Lake site and are not pursuing application as it does not meet the design or criteria of the Chapter 313 program."

See Attachment D.

#### **Board Finding Number 6.**

*The proposed limitation on appraised value for the qualified property is \$80,000,000.*

The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2019, provides that the District is a Subchapter B, Category 2 District under Texas Tax Code §313.022, with a minimum limitation of \$80,000,000. See Attachments A and D.

#### **Board Finding Number 7.**

*The revenue gains that will be realized by the school district if the Application is approved will be significant in the long term, with special reference to revenues used for supporting school district debt.*

In support of this Finding, the analysis prepared by Moak, Casey & Associates indicates that the project would add an estimated \$378,555,612 to the tax base for debt service purposes at the peak investment level for the 2022-23 school year (tax year 2022). See Table 5, Attachment E. The project remains fully taxable for debt services taxes, with the District currently levying an I&S tax rate of \$0.21000 per \$100 taxable assessed value. See Attachment E, Table 6, p. 8. As a result, local taxpayers could see a potential benefit from the addition of the project to the local I&S tax roll. See Attachment E, Table 6, p. 8. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be \$10,094,000. See Summary of Estimated Financial Impact dated 10/17/19, at last page of Attachment E, and H (Article VI).

#### **Board Finding Number 8.**

*The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled "Taxes after Value Limit"), and the total amount of M&O taxes that would be imposed on the qualified property with the limitation on appraised value is estimated to be \$23,758,502.*

#### **Board Finding Number 9.**

*The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property*

*does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled “Taxes before Value Limit”), and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised value is estimated to be \$49,872,971.*

#### **Board Finding Number 10.**

*The effect of the Applicant’s proposal, if approved, is not expected to increase the District’s instructional facility needs. La Porte ISD can accommodate the projected student growth anticipated from Applicant’s project with its existing facilities, as the number of potential new jobs created by the project should not have a significant impact on the number or size of school facilities.*

See TEA’s Facilities Impact Review Letter at Attachment F.

#### **Board Finding Number 11.**

*Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.*

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant’s representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

### **Board Finding Number 12.**

*The Applicant (Taxpayer Id. 17526225267) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.*

See Attachments A, B and C.

### **Board Finding Number 13.**

*The project will be located within an area currently designated as a reinvestment zone established by Resolution of the La Porte Independent School District's Board of Trustees dated January 22, 2019, pursuant to Chapters 312 and 313 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone for so long as the law allows.*

See Attachment A (Tabs 11 and 16).

### **Board Finding Number 14.**

*Per Applicant's certified Application, it has provided notice of existing property that is not eligible for value limitation, with an estimated value of \$49,000,000. But, there are no permanent structures and no construction of Qualified Property has begun for the project subject to the Application.*

See Attachment A (§13 of Tab 1, and Tabs 10 and 11).

### **Board Finding Number 15.**

*The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.*

In support of this Finding, and based on current school finance law and the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District is projected to receive revenue protection payments in tax years 2021-30 (SY 2021-22 through 2030-31), in the estimated total amount of \$4,262,038. See Table 5 in Attachment E. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement.

See Estimated Financial Impact Table dated 10/17/2019 at Attachment E, and proposed Agreement, Article IV at Attachment H.

**Board Finding Number 16.**

***The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.***

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

**Board Finding Number 17.**

***Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Celanese's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.***

**Board Finding Number 18.**

***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.***

See also Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the La Porte Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the La Porte Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the La Porte Independent School District Board of Trustees.

Dated this 19<sup>th</sup> day of November, 2019.

La Porte Independent School District

By Kathryn D. Green  
*Signature*

Kathryn D. Green, President  
*Printed Name and Title*

Attest:

By Dennis L. Slate  
*Signature*

Dennis Slate, Board Secretary  
*Printed Name and Title*

## LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certificate of Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Finance Impact Study
F	TEA's Facilities Impact Letter
G	Comptroller's 2018 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's November 6, 2019 Agreement Review Letter



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O. Box 13528 • Austin, TX 78711-3528

August 2, 2019

Lloyd W. Graham  
Superintendent  
La Porte Independent School District  
1002 San Jacinto Street  
La Porte, Texas 77571

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between La Porte Independent School District and Celanese Ltd., Application 1382

Dear Superintendent Graham:

On June 21, 2019, the Comptroller's office received Celanese Ltd.'s (applicant) application for a limitation on appraised value (Application 1382) from La Porte Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on August 2, 2019.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90<sup>th</sup> day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at [deisy.perez@cpa.texas.gov](mailto:deisy.perez@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 5-2410 or at 512-475-2410.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.  
Ronnie Berry, Celanese Ltd.  
Kim Andrews, Celanese Ltd.  
Kirk Glasby, DuCharme McMillen & Associates, Inc.

See Application documents  
(Comptroller No. 1382)  
posted on Comptroller Website:  
Application (posted 07/19/19),  
Amendment No. 1 (dated 07/29/19), and  
Supplement No. 1 (dated 08/02/19)



## Franchise Tax Account Status

As of : 11/10/2019 14:18:34

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

<b>CELANESE LTD.</b>	
<b>Texas Taxpayer Number</b>	17526225267
<b>Mailing Address</b>	222 LAS COLINAS BLVD W STE 900N ATTN:SHELLIE JONESIRVING, TX 75039-5467
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	TX
<b>Effective SOS Registration Date</b>	11/30/1995
<b>Texas SOS File Number</b>	0008495110
<b>Registered Agent Name</b>	CORPORATE CREATIONS NETWORK INC.
<b>Registered Office Street Address</b>	5444 WESTHEIMER #1000 HOUSTON, TX 77056

See Certification Packet  
(Comptroller No. 1382)  
Issued August 7, 2019

See Certification Packet  
(Comptroller No. 1382)  
Issued August 7, 2019

**CHAPTER 313 PROPERTY VALUE LIMITATION  
FINANCIAL IMPACT OF THE PROPOSED CELANESE LTD.  
PROJECT IN THE LA PORTE INDEPENDENT SCHOOL  
DISTRICT  
(PROJECT # 1382)**

**PREPARED BY**



**SEPTEMBER 12, 2019  
REVISED**

## Executive Summary

Celanese Ltd. (Company) has requested that the La Porte Independent School District (LPISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an amended application submitted to LPISD on June 18, 2019, the Company plans to invest \$378.6 million to construct a new manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Celanese project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, LPISD may offer a minimum value limitation of \$80 million. This value limitation, under the proposed application, will begin in the 2021-22 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to LPISD	\$4.26 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$21.85 million

## Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete, the Comptroller will deliver a Completeness Letter to the company and the school district. The Completeness Letter was issued for this project on August 2, 2019.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150<sup>th</sup> day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District. The Certificate for the project was sent to the District on August 7, 2019.

After the Comptroller's certificate is received, Underwood will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, Underwood will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law.

## **How the 313 Agreement Interacts with Texas School Finance**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.)

The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. This change has an impact on LPISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined on the basis of current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive with regard to the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

## Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	7,214
Local M&O Tax Base	\$10.3 billion
2019-20 M&O Tax Rate:	\$1.04 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$1.0265 per \$100 of Taxable Value
I&S Tax Rate:	\$0.21 per \$100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

**Table 1 – Base District Information with Celanese Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
<b>QTP0</b>	2019-20	7,024.03	9,142.06	\$1.04000	\$0.2100	\$9,391,395,309	\$9,391,395,309	\$1,027,273	\$1,027,273
<b>QTP1</b>	2020-21	7,218.96	9,201.61	\$1.02650	\$0.2100	\$9,389,504,926	\$9,389,504,926	\$1,020,420	\$1,020,420
<b>QTP2/VL1</b>	2021-22	7,214.35	9,197.07	\$1.02650	\$0.2100	\$9,388,099,445	\$9,388,099,445	\$1,020,770	\$1,020,770
VL2	2022-23	7,209.75	9,192.53	\$1.02650	\$0.2100	\$9,670,230,304	\$9,551,802,876	\$1,051,966	\$1,039,083
VL3	2023-24	7,209.75	9,192.53	\$1.02650	\$0.2100	\$9,847,189,269	\$9,548,633,657	\$1,071,216	\$1,038,738
VL4	2024-25	7,209.75	9,192.53	\$1.02650	\$0.2100	\$9,848,228,599	\$9,557,278,399	\$1,071,329	\$1,039,678
VL5	2025-26	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,409,043,604	\$10,125,546,708	\$1,132,337	\$1,101,497
VL6	2026-27	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,381,956,965	\$10,105,764,307	\$1,129,390	\$1,099,345
VL7	2027-28	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,340,401,370	\$10,071,366,865	\$1,124,870	\$1,095,603
VL8	2028-29	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,331,562,071	\$10,069,542,556	\$1,123,908	\$1,095,404
VL9	2029-30	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,324,687,380	\$10,069,542,556	\$1,123,160	\$1,095,404
VL10	2030-31	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,317,950,184	\$10,069,542,556	\$1,122,427	\$1,095,404
<b>VP1</b>	2031-32	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,311,347,731	\$10,069,542,556	\$1,121,709	\$1,095,404
<b>VP2</b>	2032-33	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,384,956,567	\$10,384,956,567	\$1,129,716	\$1,129,716
<b>VP3</b>	2033-34	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,373,611,609	\$10,373,611,609	\$1,128,482	\$1,128,482
<b>VP4</b>	2034-35	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,362,643,670	\$10,362,643,670	\$1,127,289	\$1,127,289
<b>VP5</b>	2035-36	7,209.75	9,192.53	\$1.02650	\$0.2100	\$10,352,037,703	\$10,352,037,703	\$1,126,135	\$1,126,135

\*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

## M&O Impact of the Celanese Project on LPISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$80 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$4.26 million over the course of the Agreement, with losses shown in each of the 10 limitation years. Changes attributable to the use of prior-year property values and the new-law calculation of recapture appear to be factors here influencing the revenue protection payment amounts.

**Table 2-- “Baseline Revenue Model”--Project Value Added to DPV with No Value Limitation**

Year of Agreement	School Year	M&O Taxes @ Compressed		Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
		Rate	State Aid						
<b>QTP0</b>	2019-20	\$93,678,613	\$1,739,058	-\$32,176,910	\$11,080,266	\$0	-\$1,571,214	-\$55,442	\$72,694,371
<b>QTP1</b>	2020-21	\$92,319,227	\$3,160,812	-\$31,112,542	\$11,080,343	\$0	-\$1,561,785	-\$54,808	\$73,831,246
<b>QTP2/VL1</b>	2021-22	\$94,874,945	\$1,787,321	-\$29,754,550	\$11,387,086	\$0	-\$1,605,372	-\$54,810	\$76,634,620
VL2	2022-23	\$96,497,352	\$3,246,459	-\$33,827,774	\$11,581,810	\$0	-\$1,677,339	-\$55,713	\$75,764,795
VL3	2023-24	\$96,505,293	\$1,785,040	-\$33,988,181	\$11,582,763	\$0	-\$1,704,779	-\$55,703	\$74,124,433
VL4	2024-25	\$101,540,989	\$3,244,387	-\$35,457,054	\$12,187,157	\$0	-\$1,792,216	-\$58,050	\$79,665,213
VL5	2025-26	\$101,296,367	\$1,785,040	-\$39,137,567	\$12,157,798	\$0	-\$1,870,667	-\$57,890	\$74,173,081
VL6	2026-27	\$100,921,815	\$3,244,387	-\$40,348,665	\$12,112,843	\$0	-\$1,860,896	-\$57,670	\$74,011,814
VL7	2027-28	\$100,841,138	\$1,785,040	-\$38,508,462	\$12,103,160	\$0	-\$1,853,492	-\$57,619	\$74,309,765
VL8	2028-29	\$100,778,131	\$3,244,387	-\$39,886,797	\$12,095,597	\$0	-\$1,850,672	-\$57,579	\$74,323,067
VL9	2029-30	\$100,716,385	\$1,785,040	-\$38,364,443	\$12,088,187	\$0	-\$1,848,479	-\$57,539	\$74,319,151
VL10	2030-31	\$100,655,874	\$3,244,387	-\$39,762,044	\$12,080,925	\$0	-\$1,846,330	-\$57,500	\$74,315,312
<b>VP1</b>	2031-32	\$101,272,682	\$1,785,040	-\$38,242,186	\$12,154,955	\$0	-\$1,855,787	-\$57,804	\$75,056,900
<b>VP2</b>	2032-33	\$101,170,785	\$3,244,387	-\$40,376,156	\$12,142,725	\$0	-\$1,866,556	-\$57,746	\$74,257,439
<b>VP3</b>	2033-34	\$101,072,275	\$1,785,040	-\$38,812,833	\$12,130,902	\$0	-\$1,863,332	-\$57,689	\$74,254,363
<b>VP4</b>	2034-35	\$100,977,015	\$3,244,387	-\$40,171,659	\$12,119,469	\$0	-\$1,860,214	-\$57,635	\$74,251,363
<b>VP5</b>	2035-36	\$100,884,878	\$1,785,040	-\$38,615,108	\$12,108,410	\$0	-\$1,857,198	-\$57,582	\$74,248,439

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

### M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$26.1 million over the life of the agreement. The LPISD revenue losses are expected to total approximately \$4.26 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$21.85 million, prior to any negotiations with Celanese on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount beginning with the 2021-22 school year, in addition to the recapture change mentioned previously. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

**Table 3- "Value Limitation Revenue Model"--Project Value Added to DPV with Value Limitation in Effect**

Year of Agreement	School Year	M&O Taxes @		Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
		Compressed Rate	State Aid						
<b>QTP0</b>	2019-20	\$93,678,613	\$1,739,058	-\$32,176,910	\$11,080,266	\$0	-\$1,571,214	-\$55,442	\$72,694,371
<b>QTP1</b>	2020-21	\$92,319,227	\$3,160,812	-\$31,112,542	\$11,080,343	\$0	-\$1,561,785	-\$54,808	\$73,831,246
<b>QTP2/VL1</b>	2021-22	\$93,789,560	\$1,787,321	-\$29,754,550	\$11,256,816	\$0	-\$1,587,841	-\$54,306	\$75,437,000
VL2	2022-23	\$93,761,095	\$3,246,459	-\$32,742,389	\$11,253,399	\$0	-\$1,611,973	-\$54,438	\$73,852,153
VL3	2023-24	\$93,838,739	\$1,785,040	-\$31,251,924	\$11,262,718	\$0	-\$1,612,964	-\$54,460	\$73,967,149
VL4	2024-25	\$98,942,745	\$3,244,387	-\$32,790,500	\$11,875,311	\$0	-\$1,703,024	-\$56,840	\$79,512,079
VL5	2025-26	\$98,765,066	\$1,785,040	-\$36,539,322	\$11,853,985	\$0	-\$1,784,953	-\$56,710	\$74,023,105
VL6	2026-27	\$98,456,119	\$3,244,387	-\$37,817,364	\$11,816,905	\$0	-\$1,777,696	-\$56,521	\$73,865,830
VL7	2027-28	\$98,439,733	\$1,785,040	-\$36,042,765	\$11,814,939	\$0	-\$1,772,630	-\$56,500	\$74,167,817
VL8	2028-29	\$98,439,733	\$3,244,387	-\$37,485,392	\$11,814,939	\$0	-\$1,772,628	-\$56,489	\$74,184,550
VL9	2029-30	\$98,439,733	\$1,785,040	-\$36,026,045	\$11,814,939	\$0	-\$1,772,628	-\$56,478	\$74,184,561
VL10	2030-31	\$98,439,733	\$3,244,387	-\$37,485,392	\$11,814,939	\$0	-\$1,772,628	-\$56,467	\$74,184,572
<b>VP1</b>	2031-32	\$101,272,682	\$1,785,040	-\$36,026,045	\$12,154,955	\$0	-\$1,822,483	-\$57,804	\$77,306,344
<b>VP2</b>	2032-33	\$101,170,785	\$3,244,387	-\$40,376,156	\$12,142,725	\$0	-\$1,866,556	-\$57,746	\$74,257,439
<b>VP3</b>	2033-34	\$101,072,275	\$1,785,040	-\$38,812,833	\$12,130,902	\$0	-\$1,863,332	-\$57,689	\$74,254,363
<b>VP4</b>	2034-35	\$100,977,015	\$3,244,387	-\$40,171,659	\$12,119,469	\$0	-\$1,860,214	-\$57,635	\$74,251,363
<b>VP5</b>	2035-36	\$100,884,878	\$1,785,040	-\$38,615,108	\$12,108,410	\$0	-\$1,857,198	-\$57,582	\$74,248,439

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Table 4 - Value Limitation Revenue Model less Baseline Revenue Model with No Limitation**

Year of Agreement	School Year	M&O Taxes @		Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
		Compressed Rate	State Aid						
<b>QTP0</b>	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>QTP1</b>	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>QTP2/VL1</b>	2021-22	-\$1,085,385	\$0	\$0	-\$130,270	\$0	\$17,531	\$504	-\$1,197,620
VL2	2022-23	-\$2,736,257	\$0	\$1,085,385	-\$328,411	\$0	\$65,366	\$1,275	-\$1,912,642
VL3	2023-24	-\$2,666,554	\$0	\$2,736,257	-\$320,045	\$0	\$91,815	\$1,243	-\$157,284
VL4	2024-25	-\$2,598,244	\$0	\$2,666,554	-\$311,846	\$0	\$89,192	\$1,210	-\$153,134
VL5	2025-26	-\$2,531,301	\$0	\$2,598,244	-\$303,813	\$0	\$85,714	\$1,180	-\$149,976
VL6	2026-27	-\$2,465,696	\$0	\$2,531,301	-\$295,938	\$0	\$83,200	\$1,149	-\$145,984
VL7	2027-28	-\$2,401,405	\$0	\$2,465,697	-\$288,221	\$0	\$80,862	\$1,119	-\$141,948
VL8	2028-29	-\$2,338,398	\$0	\$2,401,404	-\$280,658	\$0	\$78,044	\$1,090	-\$138,518
VL9	2029-30	-\$2,276,652	\$0	\$2,338,398	-\$273,248	\$0	\$75,851	\$1,061	-\$134,590
VL10	2030-31	-\$2,216,141	\$0	\$2,276,652	-\$265,986	\$0	\$73,702	\$1,033	-\$130,740
<b>VP1</b>	2031-32	\$0	\$0	\$2,216,140	\$0	\$0	\$33,304	\$0	\$2,249,444
<b>VP2</b>	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>VP3</b>	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>VP4</b>	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>VP5</b>	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Table 5 - Estimated Financial Impact of the Celanese Project Property Value Limitation Request Submitted to LPISD at \$1.0265 M&O Tax Rate**

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O With Limitation	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings To Company	School District Revenue Protection	Estimated Net Tax Benefits
<b>QTP0</b>	2019-20	\$0	\$0	\$0	\$1.04000	\$0	\$0	\$0	\$0	\$0
<b>QTP1</b>	2020-21	\$0	\$0	\$0	\$1.02650	\$0	\$0	\$0	\$0	\$0
<b>QTP2/VL1</b>	2021-22	\$198,427,428	\$80,000,000	\$118,427,428	\$1.02650	\$2,036,854	\$821,199	\$1,215,655	-\$1,195,726	\$19,929
VL2	2022-23	\$378,555,612	\$80,000,000	\$298,555,612	\$1.02650	\$3,885,867	\$821,199	\$3,064,668	-\$1,914,142	\$1,150,526
VL3	2023-24	\$370,950,200	\$80,000,000	\$290,950,200	\$1.02650	\$3,807,797	\$821,199	\$2,986,599	-\$157,284	\$2,829,315
VL4	2024-25	\$363,496,896	\$80,000,000	\$283,496,896	\$1.02650	\$3,731,289	\$821,199	\$2,910,091	-\$153,132	\$2,756,958
VL5	2025-26	\$356,192,658	\$80,000,000	\$276,192,658	\$1.02650	\$3,656,311	\$821,199	\$2,835,113	-\$149,976	\$2,685,137
VL6	2026-27	\$349,034,505	\$80,000,000	\$269,034,505	\$1.02650	\$3,582,833	\$821,199	\$2,761,635	-\$145,984	\$2,615,650
VL7	2027-28	\$342,019,515	\$80,000,000	\$262,019,515	\$1.02650	\$3,510,824	\$821,199	\$2,689,626	-\$141,947	\$2,547,678
VL8	2028-29	\$335,144,824	\$80,000,000	\$255,144,824	\$1.02650	\$3,440,256	\$821,199	\$2,619,057	-\$138,517	\$2,480,541
VL9	2029-30	\$328,407,628	\$80,000,000	\$248,407,628	\$1.02650	\$3,371,099	\$821,199	\$2,549,900	-\$134,589	\$2,415,311
VL10	2030-31	\$321,805,175	\$80,000,000	\$241,805,175	\$1.02650	\$3,303,325	\$821,199	\$2,482,126	-\$130,740	\$2,351,386
<b>VP1</b>	2031-32	\$315,334,772	\$315,334,772	\$0	\$1.02650	\$3,236,906	\$3,236,906	\$0	\$0	\$0
<b>VP2</b>	2032-33	\$308,993,776	\$308,993,776	\$0	\$1.02650	\$3,171,816	\$3,171,816	\$0	\$0	\$0
<b>VP3</b>	2033-34	\$302,779,601	\$302,779,601	\$0	\$1.02650	\$3,108,027	\$3,108,027	\$0	\$0	\$0
<b>VP4</b>	2034-35	\$296,689,709	\$296,689,709	\$0	\$1.02650	\$3,045,515	\$3,045,515	\$0	\$0	\$0
<b>VP5</b>	2035-36	\$290,721,615	\$290,721,615	\$0	\$1.02650	\$2,984,252	\$2,984,252	\$0	\$0	\$0
						<b>\$49,872,971</b>	<b>\$23,758,502</b>	<b>\$26,114,469</b>	<b>-\$4,262,038</b>	<b>\$21,852,431</b>

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Note: School district revenue-loss estimates are subject to change based on numerous factors, including:**

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

**I&S Funding Impact on School District**

The project remains fully taxable for debt services taxes, with LPISD currently levying a \$0.21 I&S tax rate per \$100 of taxable value. As shown in Table 6 below, local taxpayers could see a modest benefit from the addition of the Celanese project to the local I&S tax roll.

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Table 6 - Estimated Impact of the Celanese Project Property Value Limitation Request on LPISD I&S Tax Rate**

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Potential Change in I&S Rate
QTP0	2019-20	\$0.2100	\$10,312,603,082	\$21,656,466	\$0	\$0.210000	\$0.0000
QTP1	2020-21	\$0.2100	\$10,311,197,601	\$21,653,515	\$0	\$0.210000	\$0.0000
QTP2/VL1	2021-22	\$0.2100	\$10,311,197,601	\$21,653,515	\$198,427,428	\$0.206035	-\$0.0040
VL2	2022-23	\$0.2100	\$10,311,197,601	\$21,653,515	\$378,555,612	\$0.202563	-\$0.0074
VL3	2023-24	\$0.2100	\$10,311,197,601	\$21,653,515	\$370,950,200	\$0.202708	-\$0.0073
VL4	2024-25	\$0.2100	\$10,311,197,601	\$21,653,515	\$363,496,896	\$0.202849	-\$0.0072
VL5	2025-26	\$0.2100	\$10,311,197,601	\$21,653,515	\$356,192,658	\$0.202988	-\$0.0070
VL6	2026-27	\$0.2100	\$10,311,197,601	\$21,653,515	\$349,034,505	\$0.203124	-\$0.0069
VL7	2027-28	\$0.2100	\$10,311,197,601	\$21,653,515	\$342,019,515	\$0.203258	-\$0.0067
VL8	2028-29	\$0.2100	\$10,311,197,601	\$21,653,515	\$335,144,824	\$0.203389	-\$0.0066
VL9	2029-30	\$0.2100	\$10,311,197,601	\$21,653,515	\$328,407,628	\$0.203518	-\$0.0065
VL10	2030-31	\$0.2100	\$10,311,197,601	\$21,653,515	\$321,805,175	\$0.203644	-\$0.0064
VP1	2031-32	\$0.2100	\$10,311,197,601	\$21,653,515	\$315,334,772	\$0.203768	-\$0.0062
VP2	2032-33	\$0.2100	\$10,311,197,601	\$21,653,515	\$308,993,776	\$0.203890	-\$0.0061
VP3	2033-34	\$0.2100	\$10,311,197,601	\$21,653,515	\$302,779,601	\$0.204009	-\$0.0060
VP4	2034-35	\$0.2100	\$10,311,197,601	\$21,653,515	\$296,689,709	\$0.204127	-\$0.0059
VP5	2035-36	\$0.2100	\$10,311,197,601	\$21,653,515	\$290,721,615	\$0.204241	-\$0.0058

**IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.**



**Estimated Financial Impact of #1382 - Celanese Ltd.  
Chapter 313 Property Value Limitation Request  
Submitted to La Porte ISD**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O With Limitation	Assumed M&O Tax Rate	Tax Savings To Company	Total School District Estimated Loss of Revenue	Estimated Net Tax Benefits	Supplemental Payment - 50% of Tax Savings Subject to Statutory Limit	Potential Company Tax Benefit
QTP0	2019-20	\$0	\$0	\$1.04000	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$1.02650	\$0	\$0	\$0	\$0	\$0
<b>QTP2/VL1</b>	2021-22	\$198,427,428	\$80,000,000	\$1.02650	\$1,215,655	-\$1,195,726	\$19,929	\$9,965	\$9,965
<b>VL2</b>	2022-23	\$378,555,612	\$80,000,000	\$1.02650	\$3,064,668	-\$1,914,142	\$1,150,526	\$575,263	\$575,263
<b>VL3</b>	2023-24	\$370,950,200	\$80,000,000	\$1.02650	\$2,986,599	-\$157,284	\$2,829,315	\$1,414,657	\$1,414,657
<b>VL4</b>	2024-25	\$363,496,896	\$80,000,000	\$1.02650	\$2,910,091	-\$153,132	\$2,756,958	\$1,378,479	\$1,378,479
<b>VL5</b>	2025-26	\$356,192,658	\$80,000,000	\$1.02650	\$2,835,113	-\$149,976	\$2,685,137	\$947,636	\$1,737,501
<b>VL6</b>	2026-27	\$349,034,505	\$80,000,000	\$1.02650	\$2,761,635	-\$145,984	\$2,615,650	\$721,000	\$1,894,650
<b>VL7</b>	2027-28	\$342,019,515	\$80,000,000	\$1.02650	\$2,689,626	-\$141,947	\$2,547,678	\$721,000	\$1,826,678
<b>VL8</b>	2028-29	\$335,144,824	\$80,000,000	\$1.02650	\$2,619,057	-\$138,517	\$2,480,541	\$721,000	\$1,759,541
<b>VL9</b>	2029-30	\$328,407,628	\$80,000,000	\$1.02650	\$2,549,900	-\$134,589	\$2,415,311	\$721,000	\$1,694,311
<b>VL10</b>	2030-31	\$321,805,175	\$80,000,000	\$1.02650	\$2,482,126	-\$130,740	\$2,351,386	\$721,000	\$1,630,386
VP1	2031-32	\$315,334,772	\$315,334,772	\$1.02650	\$0	\$0	\$0	\$721,000	-\$721,000
VP2	2032-33	\$308,993,776	\$308,993,776	\$1.02650	\$0	\$0	\$0	\$721,000	-\$721,000
VP3	2033-34	\$302,779,601	\$302,779,601	\$1.02650	\$0	\$0	\$0	\$721,000	-\$721,000
VP4	2034-35	\$296,689,709	\$296,689,709	\$1.02650	\$0	\$0	\$0		\$0
VP5	2035-36	\$290,721,615	\$290,721,615	\$1.02650	\$0	\$0	\$0		\$0
					\$26,114,469	-\$4,262,038	\$21,852,431	\$10,094,000	\$11,758,431

QTP = Qualifying Time Period  
 VL = Value Limitation  
 VP = Viable Presence

Fully Taxable for I&S

Loss of M&O taxes plus recapture savings due to the limitation

Option for Supplemental Payment

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.

**IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.**

August 9, 2019

Kathy Green, President  
Board of Trustees  
La Porte Independent School District  
1002 San Jacinto Street  
La Porte, TX 77571-6496

Dear Ms. Green:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Celanese Ltd project #1382 on the number and size of school facilities in La Porte Independent School District (LPISD). Based on an examination of LPISD enrollment and the number of potential new jobs, the TEA has determined that the Celanese Ltd project should not have a significant impact on the number or size of school facilities in LPISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at [amy.copeland@tea.texas.gov](mailto:amy.copeland@tea.texas.gov) if you have any questions.

Sincerely,



Amy Copeland  
Assistant Director of State Funding

AC/rk  
Cc: Lloyd W Graham


**Taxes**

Property Tax Assistance

**2018 ISD Summary Worksheet****036-Chambers****101-916/La Porte ISD**

<b>Category</b>	<b>Local Tax Roll Value</b>	<b>2018 WTD Mean Ratio</b>	<b>2018 PTAD Value Estimate</b>	<b>2018 Value Assigned</b>
<b>A. SINGLE-FAMILY RESIDENCES</b>	0	N/A	0	0
<b>B. MULTIFAMILY RESIDENCES</b>	0	N/A	0	0
<b>C1. VACANT LOTS</b>	0	N/A	0	0
<b>C2. COLONIA LOTS</b>	0	N/A	0	0
<b>D1. QUALIFIED AGRICULTURAL LAND</b>	0	N/A	0	0
<b>D2. REAL PROPERTY: FARM &amp; RANCH</b>	0	N/A	0	0
<b>E. REAL PROPERTY: NON-QUALIFYING ACREAGE</b>	0	N/A	0	0
<b>F1. COMMERCIAL REAL ESTATE</b>	659,130	N/A	659,130	659,130
<b>F2. INDUSTRIAL REAL ESTATE</b>	0	N/A	0	0
<b>G. OIL, GAS, MINERAL RIGHTS</b>	0	N/A	0	0
<b>J. UTILITIES</b>	0	N/A	0	0
<b>L1. COMMERCIAL PERSONAL</b>	0	N/A	0	0
<b>L2. INDUSTRIAL PERSONAL</b>	0	N/A	0	0
<b>M. MOBILE HOMES</b>	0	N/A	0	0

<b>N. INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O. RESIDENTIAL INVENTORY</b>	0	N/A	0	0
<b>S. SPECIAL INVENTORY</b>	0	N/A	0	0
<b>Subtotal</b>	659,130	0	659,130	659,130
<b>Less Total Deductions</b>	0	0	0	0
<b>Total Taxable Value</b>	659,130	0	659,130	659,130

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

**Value Taxable For M & O Purposes**

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
659,130	659,130	659,130	659,130

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
0	0

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

### Value Taxable For I & S Purposes

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
659,130	659,130	659,130	659,130

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 101-Harris

### 101-916/La Porte ISD

<b>Category</b>	<b>Local Tax Roll Value</b>	<b>2018 WTD Mean Ratio</b>	<b>2018 PTAD Value Estimate</b>	<b>2018 Value Assigned</b>
<b>A. SINGLE-FAMILY RESIDENCES</b>	2,375,982,823	N/A	2,375,982,823	2,375,982,823
<b>B. MULTIFAMILY RESIDENCES</b>	122,326,955	N/A	122,326,955	122,326,955
<b>C1. VACANT LOTS</b>	201,337,387	N/A	201,337,387	201,337,387
<b>C2. COLONIA LOTS</b>	0	N/A	0	0
<b>D1. QUALIFIED AGRICULTURAL LAND</b>	164,879	N/A	164,879	164,879

<b>D2. REAL PROP:FA RM &amp; RANCH</b>	192,279	N/A	192,279	192,279
<b>E. REAL PROP NO NQUAL ACREAGE</b>	71,448,109	N/A	71,448,109	71,448,109
<b>F1. COMMERCIAL REAL</b>	1,793,634,630	N/A	1,793,634,630	1,793,634,630
<b>F2. INDUSTRIAL R EAL</b>	4,951,143,682	N/A	4,951,143,682	4,951,143,682
<b>G. OIL,GAS,MINER ALS</b>	0	N/A	0	0
<b>J. UTILITIES</b>	153,880,285	N/A	153,880,285	153,880,285
<b>L1. COMMERCIAL PERSONAL</b>	719,244,355	N/A	719,244,355	719,244,355
<b>L2. INDUSTRIAL P ERSONAL</b>	2,119,247,499	N/A	2,119,247,499	2,119,247,499
<b>M. MOBILE HOMES</b>	7,046,992	N/A	7,046,992	7,046,992
<b>N. INTANGIBLE PE RSONAL PROP</b>	0	N/A	0	0
<b>O. RESIDENTIAL IN VENTORY</b>	677,839	N/A	677,839	677,839
<b>S. SPECIAL INVEN TORY</b>	9,408,791	N/A	9,408,791	9,408,791
<b>Subtotal</b>	12,525,736,505	0	12,525,736,505	12,525,736,505
<b>Less Total Deducti ons</b>	3,135,000,326	0	3,135,000,326	3,135,000,326
<b>Total Taxable Value</b>	9,390,736,179	0	9,390,736,179	9,390,736,179

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

## Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
9,493,196,617	9,390,736,179	9,307,774,481	9,205,314,043

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
102,460,438	185,422,136

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I & S Purposes**

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
10,477,612,717	10,375,152,279	10,292,190,581	10,189,730,143

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 101-916-02/La Porte ISD

<b>Category</b>	<b>Local Tax Roll Value</b>	<b>2018 WTD Mean Ratio</b>	<b>2018 PTAD Value Estimate</b>	<b>2018 Value Assigned</b>
<b>A. SINGLE-FAMILY RESIDENCES</b>	2,375,982,823	N/A	2,375,982,823	2,375,982,823
<b>B. MULTIFAMILY RESIDENCES</b>	122,326,955	N/A	122,326,955	122,326,955
<b>C1. VACANT LOTS</b>	201,337,387	N/A	201,337,387	201,337,387
<b>C2. COLONIA LOTS</b>	0	N/A	0	0
<b>D1. QUALIFIED AGRICULTURAL LAND</b>	164,879	N/A	164,879	164,879
<b>D2. REAL PROPERTY: FARM &amp; RANCH</b>	192,279	N/A	192,279	192,279
<b>E. REAL PROPERTY NOT QUALIFYING ACREAGE</b>	71,448,109	N/A	71,448,109	71,448,109
<b>F1. COMMERCIAL REAL ESTATE</b>	1,794,293,760	N/A	1,794,293,760	1,794,293,760
<b>F2. INDUSTRIAL REAL ESTATE</b>	4,951,143,682	N/A	4,951,143,682	4,951,143,682
<b>G. OIL, GAS, MINERALS</b>	0	N/A	0	0
<b>J. UTILITIES</b>	153,880,285	N/A	153,880,285	153,880,285
<b>L1. COMMERCIAL PERSONAL PROPERTY</b>	719,244,355	N/A	719,244,355	719,244,355
<b>L2. INDUSTRIAL PERSONAL PROPERTY</b>	2,119,247,499	N/A	2,119,247,499	2,119,247,499
<b>M. MOBILE HOMES</b>	7,046,992	N/A	7,046,992	7,046,992
<b>N. INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O. RESIDENTIAL INVENTORY</b>	677,839	N/A	677,839	677,839
<b>S. SPECIAL INVENTORY</b>	9,408,791	N/A	9,408,791	9,408,791

<b>Subtotal</b>	12,526,395,635		12,526,395,635	12,526,395,635
<b>Less Total Deductions</b>	3,135,000,326		3,135,000,326	3,135,000,326
<b>Total Taxable Value</b>	9,391,395,309		9,391,395,309	9,391,395,309

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

**Value Taxable For M & O Purposes**

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
9,493,855,747	9,391,395,309	9,308,433,611	9,205,973,173

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50 % of the loss to the Local Optional Percentage Homestead Exemption</b>
102,460,438	185,422,136

T1 = School district taxable value for M & O purposes before the loss to the additional \$10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

## Value Taxable For I & S Purposes

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
10,478,271,847	10,375,811,409	10,292,849,711	10,190,389,273

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

See Agreement (App No. 1382)  
posted on Comptroller Website



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

November 6, 2019

Lloyd W. Graham  
Superintendent  
La Porte Independent School District  
1002 San Jacinto Street  
La Porte, Texas 77571

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between La Porte Independent School District and Celanese Ltd., Application 1382

Dear Superintendent Graham:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between La Porte Independent School District and Celanese Ltd. (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at [deisy.perez@cpa.texas.gov](mailto:deisy.perez@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.  
Ronnie Berry, Celanese Ltd.  
Kim Andrews, Celanese Ltd.  
Kirk Glasby, DuCharme McMillen & Associates, Inc