

SUMMARY OF RESEARCH STUDY ON LOCAL GOVERNMENT TAX DOLLAR GIVEAWAYS, 2015 – 2025

Autocase Economic Advisory, a large independent economic research firm, was hired by the local civic organization Better Brazoria in 2023 to analyze the financial lost to taxpayers from government deals with 14 major Gulf Coast corporations that provided billions in property tax relief.

The report studied government records from the County, 4 municipalities, and 3 independent school districts all in Brazoria County. These government-approved tax deals began in 2015 and will end in 2025 – unless they are renewed.

Learn more about Autocase at www.autocase.com.

The substance of the findings are seen in the three easy-to-read tables below. They show how much each government entity gave away, who benefitted, and what it cost ordinary taxpayers like you. Most findings are startling, and a few are unbelievable, such as Freeport elected officials gave away tax dollars equivalent to 137% of their total yearly budget!

KEY FINDINGS

- The 10-year total local government giveaways (called “agreements”): **\$2.16 BILLION DOLLARS** to 14 giant corporations.
- **Freeport LNG alone received \$1.1 billion in tax breaks.**
- Corporations promised 1,119 jobs, with no guarantee they would be local hires. Researchers could not discover how many, if any, people were actually hired.
- The average value in tax relief for each promised job: \$1.9 MILLION DOLLARS. The value of the 188 jobs promised by Freeport LNG: **\$6 MILLION DOLLARS PER JOB!**
- **Report Conclusion:** *“Millions of dollars are at stake regarding public services that otherwise would have had a lot more funding, which would greatly affect the communities in Brazoria County.”*

TAXPAYER SERVICES IMPACT:

- **14 giant companies got over \$2 BILLION in tax break that could have LOWERED YOUR TAXES.**
- City and County services important to you were shortchanged . . . For example, based on current budget category percentages . . .



BRAZORIA COUNTY could have spent another \$12.7 million on parks, \$1.3 million on fire protection, \$5.5 million on health care for the poor, \$4 million on community service centers, \$3 million on environmental health, \$17 on libraries, and over \$163 million on law enforcement!

CLUTE could have spent an extra \$1.8 million on streets and water and the same on parks & recreation, plus an additional \$14.5 million on public safety.





FREEPORT gave up funding an additional \$128 million in law enforcement, \$34 million for fire protection, \$36 million to repair streets and drainage, \$23.6 million for EMS, and \$45 million for better parks and recreation.

LAKE JACKSON could have added another \$7 million for public safety, \$2.5 million for public works, and \$2.8 million for parks and recreation.



OYSTER CREEK gave up an amazing \$20.5 million in additional funding for police and law enforcement.

BRAZOSPORT ISD gave these corporations over **ONE BILLION DOLLARS** in tax relief! Imagine how much better our schools and teacher salaries could be now that money had been spent on education!



SWEENEY ISD could have spent another \$250 million on schools and students, but it was given away to these giant corporations instead.

ANGLETON ISD gave over \$41 million in tax abatements instead of improving classrooms, buses, resources, and higher teacher salaries.



But wait, that's not all. The study concludes, **"This study does not include all subsidies or tax incentive agreements that these corporations may receive . . . from the state of Texas."**

Review the following tables to discover what officials hoped you'd never notice! Here is a graphic example of the enormous scope of these government tax giveaways . . .

Agreement Effect on Taxation (Top Two Giveaways



Tax Incentive Projected Totals, Aggregated By Corporation, 2015-2025

Corporation in Brazoria County	Corporation's Taxes <u>Without</u> Agreement (should have paid)	Corporation's Taxes <u>With</u> Agreement (did pay in taxes)	Corporation's Tax <u>Savings</u> (Minus Payment in Lieu of Taxes)	# of Jobs * <u>Promised</u> By Corporation	Taxpayer cost Per Corporate Job
Freeport LNG Development	\$1,264,877,099	\$138,745,877	\$1,126,131,219	188	\$5,990,060
Dow Chemical	\$766,121,102	\$234,813,444	\$531,307,666	389	\$1,365,829
Phillips 66 Company	\$238,881,880	\$30,251,787	\$208,630,090	55	\$3,793,274
Chevron Phillips Chemical Company	\$131,763,751	\$14,400,197	\$117,363,555	173	\$678,402
Ineos USA	\$76,360,722	\$26,173,870	\$50,186,854	94	\$533,903
BASF Corporation	\$56,614,234	\$12,484,821	\$44,129,412	44	\$1,002,941
C3 Petrochemical	\$31,317,306	\$0	\$31,317,306	100	\$313,173
MEGlobal	\$27,465,819	\$0	\$27,465,819	35	\$784,738
Praxair	\$46,063,413	\$25,226,353	\$20,837,058	31	\$672,163
Shintec	\$11,721,163	\$6,863,448	\$4,857,715	10	\$485,771
SI Group	\$6,136,152	\$3,690,901	\$2,445,252	N/A	N/A
Gladieux	\$804,719	\$484,039	\$320,680	N/A	N/A
Chemical Specialties	\$451,902	\$271,820	\$180,083	N/A	N/A
Solvay	\$293,834	\$176,741	\$117,092	N/A	N/A
Total	\$2,658,873,096	\$493,583,298	\$2,165,289,801	1119	\$1,935,022 per job

* Employment estimates are projections over the duration of the agreement based on actual jobs created as of 2021 and jobs promised at the beginning of the agreement

Tax Incentive Totals Given by Each Jurisdiction

Tax Jurisdiction	Type of Agreement	Corporations' Taxes Without Agreement (<u>Should have paid</u>)	Corporations' Taxes With Agreement (<u>did pay</u>)	Corporations' Tax Savings (Minus Payment in Lieu of Taxes)	# of Jobs Promised By Corporations	Taxpayer cost Per Corporate Job
Brazosport ISD	313	\$1,250,590,024	\$196,579,533	\$1,054,010,495	632	\$1,667,738
Sweeny ISD	313	\$297,112,176	\$46,623,627	\$250,488,546	233	\$1,075,058
Angleton ISD	313	\$67,185,164	\$26,173,870	\$41,011,296	73	\$561,799
Brazoria County	312	\$328,405,774	\$0	\$328,405,774	474	\$692,839
Municipality of Freeport	IDA*	\$524,448,731	\$117,267,558	\$407,181,173	N/A	N/A
Municipality of Oyster Creek	IDA*	\$46,684,746	\$9,435,000	\$37,249,746	N/A	N/A
Municipality of Clute	IDA*	\$55,386,118	\$24,811,662	\$30,574,456	N/A	N/A

Municipality of Lake Jackson	IDA*	\$89,060,363	\$72,692,048	\$16,368,315	N/A	N/A
Totals		\$2,658,873,096	\$493,583,298	\$2,165,289,801	N/A	N/A

* IDA: Industrial District Agreements offer immunity from annexation

Forgone* Tax Losses Compared to County and Municipality Budgets

Region	Forgone (lost) * Revenue due to corporate tax breaks	Total Budget	PERCENT of TOTAL BUDGET LOST (Annualized Share of Foregone Revenue)
Brazoria County	\$328,405,774	\$157,226,992	25%
Clute	\$30,574,456	\$10,996,247	19%
Freeport	\$407,181,173	\$19,863,209	137%
Lake Jackson	\$16,368,315	\$24,550,427	4%
Oyster Creek	\$37,249,746	\$2,250,090	110%

Note: "Total budget figures for Brazoria County are collected from the revenues of the general fund from the 2022/2023 proposed budget. The Municipality figures are taken from the 2022/23 Proposed budgets of Clute, Freeport, and Lake Jackson and the 2020/2021 Approved Budgets of Oyster Creek."

* "Foregone: The amount of revenue projected that a taxing jurisdiction would have received had a tax incentive agreement not been in place."



If these government giveaways of your tax dollars make you mad, then you should tell your elected officials you are furious at what they did.

Let them know you wanted tax cuts, better roads, schools, parks, health care, police and fire protection, and all of the other things they

gave up so 14 giant corporations could have your tax money!



Here are three things you can do . . .

- 1)** Call your City Hall, Independent School District, and the County Commissioners 'Office.
- 2)** [Click HERE to sign a protest letter](#) which we will print out and deliver in a great big carton with hundreds of other letters to your government officials. It's time to give them some grief, isn't it?!
- 3)** Attend a city council meeting, an ISD meeting, and a County Commissioners 'meeting. Stand up and ask them why they gave your tax dollars to 14 giant corporations instead of lowering your taxes or spending the money on your community.

Better Brazoria: www.betterbrazoria.org