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New Study Shows Local Government Gave \$2.16 Billion In Corporate Tax Breaks To 14 Brazoria County Polluters

***Corporations To Receive An Average Of \$1.93 Million
In Property Tax Abatements For Each New Job Promised***

***Just One Company, Freeport LNG, Secured Over Half Of All Polluter Tax
Breaks, Receiving \$5.99 Million For Each New Job Promised***

***Petrochem Giants Dow, BASF Landed \$575 Million
In Tax Breaks, Got Over \$1 Million Per New Job Created***

***Polluter Tax Breaks Given By Local ISDs
To Cost All Texas Taxpayers Around \$60 Each***

***City Of Freeport Has Given Away Property Tax Revenue
Totaling 137% Of Its Annual Budget Over Agreement Periods***

Freeport, Texas – A newly-released study commissioned by [Better Brazoria](#) and conducted by [AutoCase Economic Advisory](#) has revealed for the first time that local governments in Brazoria County have authorized over \$2.16 billion in state and local property tax breaks benefiting 14 polluting corporations.

The 14 corporations are Freeport LNG, Dow Chemical, Phillips 66, Chevron Phillips Chemical, Ineos USA, BASF, C3 Petrochemical, MEGlobal, Praxair, Shintec, SI Group,

Gladieux, Chemical Specialties and Solvay.

The study's findings were calculated by AutoCase using details culled from each tax abatement agreement and the actual valuation of tax-abated properties acquired from the Brazoria County Appraisal District.

The study covers abatements created under all three state programs allowing local elected officials to authorize corporate tax breaks: Chapter 312 tax abatement agreements approved by Brazoria County; Chapter 313 agreements authorized by Brazosport ISD, Sweeny ISD and Angleton ISD; and Industrial District Agreements (IDAs) approved by the cities of Freeport, Oyster Creek, Clute and Lake Jackson.

Of the \$2,165,289,801 in total corporate property tax breaks given, 62% were authorized by the three independent school districts, with Brazosport ISD alone responsible for \$1,054,010,495. Brazoria County gave out \$328,405,774 in tax breaks, while Freeport, Oyster Creek, Clute and Lake Jackson together approved \$491,373,690, with Freeport alone giving away \$407,181,173.

While local jurisdictions have approved property tax abatement agreements for other industries, including wind and solar, Better Brazoria commissioned AutoCase to analyze tax breaks given specifically to fossil fuel, petrochemical and chemical companies that pollute Brazoria County air and water and compromise local health and safety.

On the whole, tax breaks given to the 14 local polluters are expected to erase about 80% of the beneficiaries' maintenance and operations property tax bills during the abatement period, which in many cases lasts up to 10 years.

AVERAGE COST OF JOBS: \$1.93 MILLION EACH; JAW-DROPPING \$5.9 MILLION AT FREEPORT LNG

As part of each abatement agreement, companies promise to create a specific number of local jobs in exchange for tax breaks. The new study reveals that the 14 Brazoria County polluters together committed to create 1,119 new jobs in exchange for \$2,165,289,801 in tax breaks, making the average cost of each new job \$1,935,022.16.

The study additionally shows that Freeport LNG, the recipient of over half of all local polluter tax breaks, promised to create just 188 jobs in exchange for \$1,126,131,219 in abatements, making the cost of each new job created a stunning \$5,990,060.

Petrochemical giants Dow Chemical and BASF together landed \$575,437,078 in tax breaks, with Dow promising 389 jobs at a cost of \$1,365,289 each and BASF promising 44 jobs at a cost of \$1,002,941 each.

WHO BEARS THE COST OF TAX BREAKS FOR CORPORATE POLLUTERS?

Under the Texas school finance system, state taxpayers typically bear the entire cost of Chapter 313 tax abatements authorized by local school districts. The AutoCase study reveals that tax breaks given to the 14 polluters by the three local ISDs will result in \$1,345,510,337 in lost state tax revenue, costing nearly 22 million Texas taxpayers over the age of 18 roughly \$60 each.

Local taxpayers bear the cost of Chapter 312 and IDA tax abatements given by Brazoria County and the cities of Freeport, Oyster Creek, Clute and Lake Jackson. Chapter 312 and IDA abatements given to the 14 polluters by these five jurisdictions have resulted in \$819,779,464 in lost local tax revenue. Brazoria County's \$328,405,774 in tax breaks equates to roughly \$1,200 for every county resident over the age of 18, while Freeport's tax breaks of \$407,181,173 equates to over \$55,000 for every city resident over 18.

The study also examines how tax breaks authorized by local governments compare to each jurisdiction's annual budget. In the case of Freeport, forgone revenue equates to 137% of the city's annual budget over the period of its abatement agreements. Oyster Creek's tax giveaway totals 110% of its annual budget, while Brazoria County's forgone revenue equates to 25% of its annual budget.

PORT OF BRAZORIA ALSO USES LOCAL TAXES TO SUPPORT POLLUTERS

The AutoCase analysis additionally notes that Brazoria County residents who live within the Port Freeport navigation district also pay property taxes to the Port each year, totaling at least \$5.3 million. Much of this tax revenue is used to support Port operations that are substantially beneficial to many of the same polluting corporations benefiting from Chapter 312, Chapter 313 and IDA tax breaks.

AUTOCASE: "MORE TRANSPARENCY IS DESPERATELY NEEDED"

Eric Bill, Chief Economist at AutoCase Economic Advisory, said more transparency is needed to help the public understand the impact of tax abatements. "It's no surprise that these details aren't widely known," said Bill. "With the opacity of available data and multi-year timeframes, this was a complex study to execute. More transparency is desperately needed. Given the huge impact these agreements have on state and local taxpayers, more should be done to ensure stakeholders understand what's happening."

BETTER BRAZORIA RESPONDS

Better Brazoria group leaders said the new report revealed the extent to which many local officials have been complicit in exposing Brazoria County to ecological disaster by facilitating the rapid expansion of fossil fuel, petrochemical and other polluting industry, while simultaneously giving away hundreds of millions in much-needed tax revenue.

"This report shows there are 2.16 billion good reasons why Brazoria County families should be very angry with many of their local elected leaders," said Melanie

Oldham. “They’ve effectively taken money out of the pockets of taxpayers and given it to wealthy corporations in exchange for pollution that puts our health at risk. This is to say nothing of the risk to our community’s safety made evident last summer when the Freeport LNG explosion sent flames shooting 450 feet into the air, an accident that was later determined to be the result of the facility being understaffed.”

“Everyone knows that downtown Freeport is all but abandoned and parts of our city have been in decline for decades, but our city government still chooses to give up hundreds of millions in tax revenue that could be used for revitalization,” said Manning Rollerson. “Instead they insist on giving huge tax breaks to some of the worst corporate polluters there are. It’s outrageous that our city basically pays big polluters to put our health and safety at risk, and ignores our community’s basic needs in the bargain.”

While state legislation allowing local ISDs to authorize Chapter 313 tax abatement agreements expired at the end of 2022, some state lawmakers are attempting to resurrect the program in the current legislative session. Oldham and Rollerson traveled to Austin this week to testify against the legislation.