



New Study Shows 18 Coastal Bend Polluters Have Secured \$2.47 Billion In State and Local Tax Breaks

Corporate Polluters Will Receive An Average Of \$953,294 In Property Tax Abatements For Each New Job Promised

Just One Company, Cheniere, Will Receive 50% Of All Tax Breaks Given To Coastal Bend Polluters – And Is Now Asking For More

Just One School District, Gregory-Portland ISD, Has Given \$1.3 Billion In Tax Breaks, Costing Every Texas Public School \$243 Per Enrolled Student

Corpus Christi, Texas – A newly-released study commissioned by the Coastal Alliance to Protect Our Environment (CAPE) and conducted by AutoCase Economic Advisory has revealed that 18 Coastal Bend polluters have secured a stunning \$2.47 billion in state and local property tax breaks, all of which were authorized by local jurisdictions in Nueces and San Patricio counties.

The 18 companies are Cheniere, Gulf Coast Growth Ventures, Steel Dynamics, Oxy, Permico, Corpus Christi Polymers, Voestalpine, TPCO, Epic Y Grade Logistics, Equistar Chemicals, Flint Hills, Chemours, Ticona Polymer, Enbridge, Air Liquide, Nashtec, Citgo and Valero.

The study's findings were calculated using details culled from each tax abatement agreement and the actual valuation of tax-abated properties acquired from county appraisal districts. The study covers Chapter 313 abatement agreements authorized by local Independent School Districts (ISDs); Chapter 312 abatement agreements authorized by counties, cities, and other jurisdictions; and Industrial District Agreements abatements authorized only by cities.

The study reveals that the tax abatements given to the 18 polluting companies account for roughly half of all Chapter 313 abatement agreements authorized by ISDs in Nueces and San Patricio Counties, which constitute the largest portion of local tax breaks. Approximately 70% of the abatements given to the polluters by local jurisdictions in Nueces and San Patricio Counties were authorized by school districts, while the remaining 30% were approved by counties, cities, and other jurisdictions. On average, the tax breaks given to the 18 polluters would erase about 80% of each company's maintenance and operations property tax bill during the abatement period, which in many cases lasts up to 10 years.

AVERAGE COST OF JOBS: \$953,294 EACH

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 for all abatements given to 18 Coastal Bend polluters by local jurisdictions in Nueces and San Patricio Counties, the average cost for every new job promised was \$953,294.

The highest cost for a single new job was \$11,450,147 – one of 3 jobs promised by Equistar Chemicals in exchange for a tax break of \$34,350,440. The study also notes that little information is available about what promised jobs have actually been created.

CHENIERE TAX BREAKS TOTAL \$1,226,510,978 – AND THEY WANT MORE

The new study additionally shows that just one company, Cheniere – which owns and operates Corpus Christi Liquefaction, a Liquefied Natural Gas (LNG) facility, located near Gregory – has been given approximately 50% of the value of all the tax abatements offered to the Coastal Bend polluters by local jurisdictions in Nueces and San Patricio Counties – a total of over \$1.2 billion. The study shows that the average cost of each new job promised by Cheniere was a shocking \$4,229,348.

It has also recently been revealed that Cheniere has requested three additional Chapter 313 tax abatement agreements from the Gregory-Portland Independent School District (GPISD), associated with the planned future expansion of the Corpus Christi LNG facility. If approved by GPISD, the additional tax breaks are expected to save Cheniere another \$142 million, or more.

The newly-released report reveals that GPISD alone has authorized nearly 80% of all the tax abatements given to polluting companies by school districts in Nueces and San Patricio Counties, and that over 50% of all the GPISD tax abatements were given to Cheniere alone.

During the last legislative session, Texas lawmakers failed to renew the Chapter 313 program, which is scheduled to terminate on December 31, 2022. Cheniere's request for additional agreements, if approved by GPISD, would be among the final such agreements. GPISD is expected to consider the additional Cheniere tax breaks soon.

WHO BEARS THE COST OF TAX BREAKS FOR CORPORATE POLLUTERS?

As noted in the report, under the state's school finance system, state taxpayers typically bear the entire cost of Chapter 313 tax abatements given by school districts. All abatements given to the 18 Coastal Bend polluters by all school districts in Nueces and San Patricio Counties have resulted in \$1.73 billion in lost state tax revenue. GPISD's tax abatements alone have resulted in \$1.32 billion in lost state tax revenue – about \$243 for every child enrolled in Texas public schools.

Local taxpayers bear the cost of Chapter 312 and Industrial District Agreements tax abatements given by counties, cities and other local jurisdictions. All abatements given to the 18 Coastal Bend polluters by counties, cities and other local jurisdictions in Nueces and San Patricio Counties have resulted in \$733 million in lost local tax revenue.

The study shows that residents of San Patricio County bear the largest local burden. Tax abatements given to the polluting companies by local jurisdictions other than school districts in San Patricio County have resulted in \$581 million in lost local tax revenue – about \$11,730 per

San Patricio resident over 18. The study also shows that San Patricio County jurisdictions have given tax abatements to the polluting companies that total 152% of the County's annual budget.

Residents of Corpus Christi bear the cost of county and city tax abatements given to the 18 polluting companies totaling \$152 million – about \$760 for every Corpus Christi resident over 18. The City of Corpus Christi and Nueces County have given tax abatements to the polluting companies that total 4% and 5% of their annual budgets, respectively.

The Chapter 312 program came into existence in 2001 and therefore many of the long-established polluting industries along refinery row have only pursued tax abatements associated with facility expansion. The Chapter 312 program has been extended through September, 2029.

AUTOCASE: “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 this type of information isn’t widely distributed,” said Bill. “With the multi-year timeframes and opacity of available information, including the need to go through multiple layers of data collection from local governments and school districts as well as through Public Information Requests, the process for this study has been complex. More transparency is desperately needed. More stakeholders should be informed of the scope and scale of tax agreements and abatements, given the substantial impact to local community funding sources, as well as the state at-large.”

CAPE RESPONDS

The Coastal Alliance to Protect Our Environment (CAPE) is a coalition of 22 local and state organizations. CAPE spokesperson Errol Summerlin said the new report revealed the extent to which many local officials have been complicit in exposing the Coastal Bend to an impending ecological disaster by facilitating the rapid expansion of fossil fuel, petrochemical, and other polluting industries.

“This report shows there are 2.47 billion good reasons why Coastal Bend families should be very angry with many of their local elected leaders,” said Summerlin. “They’ve effectively taken money out of the pockets of taxpayers, both locally and from everywhere across Texas, and given it away in exchange for pollution that puts our communities at risk.”

“While it may be too late to get our billions back, it’s not too late to hold these corporate polluters accountable, to hold our elected officials’ feet to the fire, or elect new local leaders who will stop enabling these industries. It’s also not too late for the GPISD board to reject Cheniere’s request for more tax breaks, for which the company isn’t even qualified,” added Summerlin. “Cheniere already owns the property in question, is already doing business there, and is *not* considering moving its operations to another state. Why on earth would the GPISD board want Texas taxpayers to hand Cheniere another \$142 million for no reason whatsoever?”

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