

Office of School Finance

Tax Increment Reinvestment Zones (TIRZ)



Spring Branch ISD



Legal References

Texas Tax Code, §311.003; Texas Education Code (TEC), §48.253



Background Information

Tax increment financing is a tool that local governments can use to publicly finance needed structural improvements and enhanced infrastructure within a defined area. These improvements are usually undertaken to promote both the viability of existing businesses and to attract new commercial enterprises to such an area, which is referred to as a Tax Increment Reinvestment Zone (TIRZ). The statutes governing tax increment financing are in the Texas Tax Code, Chapter 311.

For each school year, a school district is entitled to state aid under TEC, §48.253 in an amount equal to the amount the district is required to pay into the tax increment fund (TIF) for a reinvestment zone under Section 311.013(n), Tax Code. The payment (based on a 100% TIF participation level) using a school district’s current captured appraised value as defined by Tax Code, 311.012(b), is the difference between tax collections for the TIRZ in the current school year based on the 2005 M&O rate and the tax collections for the TIRZ in the current school year based on the current M&O rate.

| Tax Year | School Year | No. of Districts Receiving Payments | Payment Amount |
|----------|-------------|-------------------------------------|----------------|
| 2015 | 2015-2016 | 17 | \$41,192,026 |
| 2016 | 2016-2017 | 17 | \$42,472,741 |
| 2017 | 2017-2018 | 17 | \$44,949,642 |
| 2018 | 2018-2019 | 16 | \$41,931,485 |
| 2019 | 2019-2020 | 15 | \$46,037,351 |
| 2020 | 2020-2021 | 14 | \$51,914,157 |
| 2021 | 2021-2022 | 13 | \$58,045,257 |
| 2022 | 2022-2023 | 12 | \$67,583,464 |
| 2023 | 2023-2024 | 13 | \$99,925,120 |



Program Description

The costs of improvements to a TIRZ are repaid by each taxing unit that levies taxes against the property. Specifically, each taxing unit can choose to dedicate all, a portion, or none of its future tax revenues toward repayment. These are the revenues that can be attributed to improvements within the TIRZ that resulted in the increase in property values. The additional tax revenue that is received from the affected properties is referred to as the tax increment. Each taxing unit determines the percentage of its tax increment, if any, it will commit toward repayment of the cost of financing the public improvements.

Number of Tax Increment Reinvestment Zones¹

| Creation Year | Created | Existing | Expired |
|---------------|---------|----------|---------|
| 2018 | 2 | 348 | 6 |
| 2019 | 9 | 348 | 9 |
| 2020 | 11 | 350 | 3 |
| 2021 | 28 | 397 | 2 |
| 2022 | 0 | 406 | 6 |

There were a total of 406 TIRZs designated and reported to the Texas Comptroller in 2021 and 2022. Of these, 95 were designated as industrial/commercial, 77 were residential, 212 were both, and 22 were unreported. In 2022, no TIRZs were created and six expired for a total of 406 TIRZs.



Contact for More Information

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¹Comptroller.Texas.Gov, Biennial Report on Reinvestment Zones Designated Under Tax Code, Chapters 311 and 312 – [2022 Report](#)