

Office of School Finance

Tax Increment Reinvestment Zone (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	\$51,237,584
2021	2021-2022	13	\$57,273,519
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	35	406	3
2023	31	477	6

In fiscal year 2023, a total of 477 TIRZs were designated and reported to the Texas Comptroller. Of these, 81 were industrial/commercial, 67 were residential, 268 were both, and 64 were unreported. Additionally, 31 new TIRZs were created, and six expired.

¹Comptroller.Texas.Gov, [Chapter 311 Tax Increment Financing Executive Summary 2024](#)



Contact for More Information

Meco Harris, Financial Analyst, (512) 463-6313 or Taxprograms@tea.texas.gov