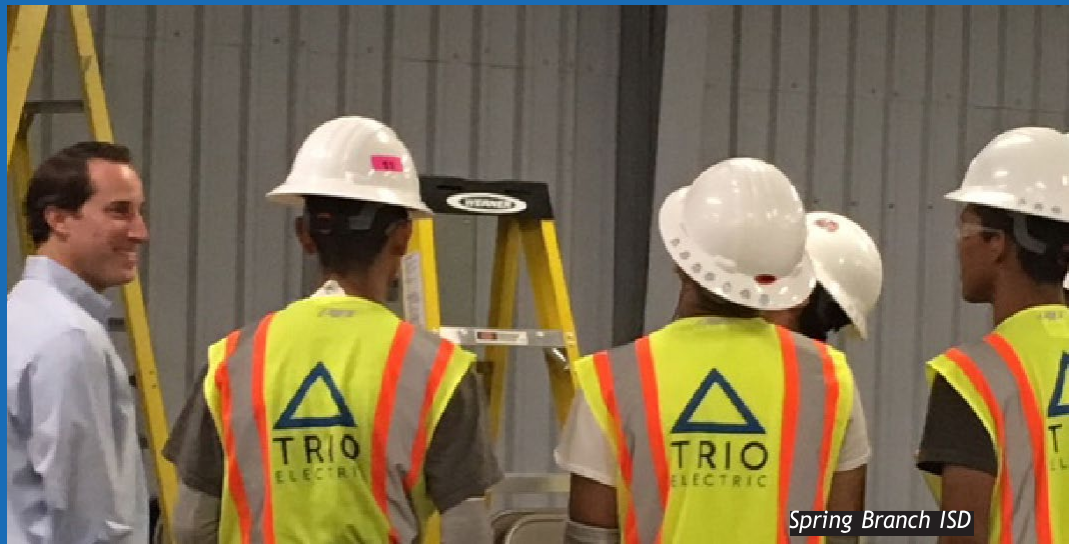


Office of School Finance

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
2013	2013-2014	18	\$35,058,449
2014	2014-2015	18	\$38,792,374
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	13	\$45,082,374
2020	2020-2021	12	\$50,310,921



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
2016	20	346	3
2017	12	352	6
2018	2	348	6
2019	9	348	9
2020	5	350	3

There was a total of 348 TIRZs designated and reported to the Texas Comptroller in 2018 and 2019. Of these, 116 were designated as industrial/commercial, 102 were residential, 98 were both, and 32 were unreported. In 2020, five TIRZs were created and three expired for a total of 350 TIRZs.



Contact for More Information

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¹Comptroller.Texas.Gov, Biennial Registries of Reinvestment Zones for Tax Abatements and Tax Increment Financing – 2020 Report