Tax Increment Reinvestment Zones (TIRZ)

Texas Tax Code (TTC) Reference:

TTC, §311.003

History/Relevant 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 located in the Texas Tax Code, Chapter 311.

History of Supplemental Payments				
2006	2007	2008	2009	Grand Total Disbursed
$7,811,945	$28,947,964	$27,122,474	$28,184,423	$92,066,805

Description of Program

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.

SUMMARY of REPORTED DATA

Reinvestment/Enterprise Zones Reported Lead Taxing Units	2006 %	2006 No.	2007 %	2007 No.	2008 %	2008 No.	2009 %	2009 No.
City	85	79	72	52	89	85	74	31
County	15	14	28	20	9	9	26	11
ISD					2	2		
Total		**93**		**72**		**96**		**42**

There were 42 reinvestment or enterprise zone agreements designated and reported to the Texas Comptroller in 2009. Of these, 31 zones are located in 12 cities and 11 zones are located in 7 counties. 69% (29) were for business properties and 31% (13) for residential properties. The average size of a zone was 131 acres for business properties and 0.22 acre for residential properties.

Contact for More Information

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