

By: Guillen

H.B. No. 2878

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of revenue in the tax increment fund for certain  
3 tax increment financing reinvestment zones for the acquisition,  
4 construction, or reconstruction of an educational facility.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 311, Tax Code, is amended by adding  
7 Section 311.0086 to read as follows:

8 Sec. 311.0086. POWER OF MUNICIPALITIES AND COUNTIES IN  
9 CERTAIN REINVESTMENT ZONES. (a) This section applies only to a  
10 reinvestment zone:

11 (1) that was created by:

12 (A) a municipality after January 1, 2005; or

13 (B) a county after January 1, 2022;

14 (2) that is larger than 500 acres;

15 (3) that contains a tract of real property larger than  
16 20 acres that was donated to a school district for the construction  
17 of educational facilities to be owned by or on behalf of the school  
18 district; and

19 (4) the board of directors of which has entered into a  
20 written agreement with the governing body of the school district  
21 requiring payment of all or part of the tax increment produced by  
22 the school district into the tax increment fund for the zone.

23 (b) In addition to exercising the powers described by  
24 Section 311.008, a municipality or county that created a

1 reinvestment zone to which this section applies or the board of  
2 directors of a reinvestment zone to which this section applies may:

3 (1) enter into a new agreement or amend an existing  
4 agreement with a school district located wholly or partly in the  
5 zone to dedicate revenue from the tax increment fund for the zone to  
6 the school district for acquiring, constructing, or reconstructing  
7 an educational facility located in or outside of the zone; or

8 (2) contract with a school district located wholly or  
9 partly in the zone to finance the construction of educational  
10 facilities to be owned by or on behalf of the school district,  
11 provided that the cost of the construction of the facilities and any  
12 infrastructure serving the facilities is funded by the tax  
13 increment generated by the school district.

14 SECTION 2. Section 48.253(a), Education Code, is amended to  
15 read as follows:

16 (a) For each school year, a school district is entitled to  
17 state aid in an amount equal to the amount the district is required  
18 to pay into the tax increment fund for a reinvestment zone under  
19 Section 311.0086 or 311.013(n), Tax Code.

20 SECTION 3. The change in law made by this Act to Section  
21 48.253, Education Code, applies beginning with the 2025-2026 school  
22 year.

23 SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2025.