



PUBLIC IMPROVEMENT DISTRICTS



- A Public Improvement District (PID) is a special district created by a city or county under the authority of Chapter 372 of the Texas Local Government Code.
- A PID can be used for the same purposes as a MUD (i.e., water, sewage, and infrastructure); however, PIDs can also be used for sidewalks, roadways, landscaping, parks and recreation, public safety/security, parking facilities, affordable housing, etc.
- Funded through bonds secured by liens against property. Bonds are issued based on the property's appraised value. Once issued, bonds are paid back through the collection of special assessment taxes. This assessment is in addition to property taxes. These special assessment taxes are only levied for a set number of years established by the PID's service plan, which is a minimum of five years. A public hearing must be held before a PID can issue bonds.
- Operated by a designated management organization who are required to submit quarterly reports, annual independent audits, and hold annual public meetings for property owners.
- Some developers use a PID instead of an HOA since PID assessments are tax deductible, and unlike tax rates for MUDs, these assessments are fixed once the bonds are sold.
- Sellers of property are required to inform buyers if the property is located in a PID (Section 5.014 of the Texas Property Code).