

PUBLICIMPROVEMENTDISTRICTNUMBERONE,
CITY OF SEALY

What is a Public Improvement District (PID)?

A Public Improvement District (the PID) is a special purpose-financing district created by a City or County to provide public infrastructure facilities. In the case of Sealy Public Improvement District Number One, the PID was created by the City of Sealy to fund a portion of the water lines, sanitary sewers, drainage, and street paving within Sealy Homestead Subdivision.

How does a PID work?

A PID uses a one-time assessment against each property in the district to fund the improvements, or a portion of the improvements. The City will enact the assessment on behalf of the PID. Each property owner will pay the assessment in the manner prescribed below.

How and when will a purchaser know the amount of the assessment?

The assessment will be a one-time assessment payable over 25 years. The PID annual assessment payment is \$592.00 per year and will be billed on your annual tax statement. *The annual payment amount includes financing costs and will not increase.*

Each purchaser has the option of the paying the principal amount of the assessment upfront or at any time thereafter. An amortization schedule will be kept by the PID administrator and each purchaser can request information on the remaining principal amount of the assessment at any time.

Is a PID assessment similar to a MUD tax?

The annual payment is similar to a municipal utility district (MUD) tax, but with several distinctions: A PID assessment and annual payment amount cannot increase, while a MUD tax is levied every year on the appraised value of your home to support bonds that have been issued to fund water, sewer, and drainage systems. In a MUD, the tax rate can stay the same but the annual tax payment will actually increase as a home increases in value. The structure of the PID and the agreements that are in place with the City ensure that your annual payment will never increase. The other distinction is that a PID assessment can be paid off at any time and has a set number of payments, while a MUD tax is indefinite.

How can this assessment be paid?

A PID assessment can be paid in the following way:

- The homeowner pays the assessment at closing on the home.
- The homeowner finances the assessment in annual installments over 25 years as detailed above.
- The homeowner pays the annual installment for a number of years and then decides to payoff the balance of the principal amount of the assessment with no further obligations.

How are my assessments billed?

If paid annually, the annual payment amount will be invoiced on each lot owner's annual property tax bill.

Please acknowledge below your receipt of tills information. A disclosure notice on the Public Improvement District will also be provided before a binding contract for purchase of property is executed.

Signature _____

Name _____

Date _____

A copy of this notice must be retained by the Sales Agent.