PID UPDATE

WHAT AGENTS NEED TO KNOW:

- If the property is in a PID, Texas law requires the seller provide a specific notice to buyer PRIOR to entering into a sales contract
  - This requirement is noted in Para. 6 of the TREC contracts, which also contemplates Seller attach the notice as an addendum to the contract.
  - TREC has promulgated an Addendum Containing Notice of Obligation to Pay Public Improvement District, which may be used for this purpose.
  - PIDs are required to file the current information necessary to complete the notice with the county clerk, but this can usually be obtained directly from the PID's website or by calling the PID directly.
- Buyer must sign the notice (or the contract that attaches the notice) to evidence receipt.
- If the notice is not provided before execution of the contract, the buyer may terminate at any time before closing.
- A separate copy is then executed by seller and buyer, notarized, and recorded in the property records at closing of the sale.
- If the notice is not given at closing, buyer may be able to sue for damages up to $5,000 or require the seller to buy back the property from the buyer and return all costs related to the purchase.

GENERAL PID INFO:

- A Public Improvement District (PID) is a special district created by a city or county under the authority of Chapter 372 or Chapter 382 of the Texas Local Government Code. The statutes allow for a city or county to levy a special assessment against properties within the district to pay for improvements, maintenance, and/or other services.
- PID services and projects may include security, landscaping, erection of fountains and other beautification efforts, construction or improvement of roads, sidewalks, pedestrian malls, parks, libraries, parking facilities, and water, wastewater, and drainage facilities.
- PID assessments constitute a lien against the property superior to all liens except for property taxes.

Contact your local Allegiance Title Closing Team with any additional questions

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