

Kaufman Public Improvement District

Frequently Asked PID Questions

What is the PID and Who created it:

The PID is a special purpose, Public Improvement District created by the City Council pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”).

When was the PID Created:

The PID was created on November 13, 2018.

How was the PID created:

The PID creation was approved by the City Council on November 13, 2018 after (i) a petition was received from property owner(s) representing at least 50% of the taxable assessed property within the PID boundary to create the PID, and (ii) a public hearing was conducted to evaluate the viability of the PID.

Why was the PID created:

The PID was created to finance certain public improvements (roadway improvements and utility improvements) that are required for and provide specific benefits to property within the project. The proportionate cost of these authorized public improvements including debt issuance costs represent the Assessments levied on the property within the PID to be collected from all benefitted.

How are the PID Assessments determined:

The PID Assessments represent a proportional share of the cost of the authorized public improvements allocated to each property type pursuant to the Service and Assessment Plan (“SAP”) approved by the City at the time the Assessments were levied. Please contact the PID Administrator for details regarding the various property types and assessment amounts contemplated for each type of property within the project.

How can Assessments be paid:

The PID Assessments can be paid (i) in full at any time, (ii) in partial payments, or (iii) in annual installments as specified in the SAP. Please contact the PID Administrator for details regarding these available options and the respective amounts applicable to your property.

Who collects the Assessments:

The City or a designated bond trustee (“Trustee”) will collect PID Assessments prepaid in full or in part. The PID Administrator will prepare and provide a detailed letter of PID Assessment prepayment instructions upon request for full or partial prepayments.

Annual installments of PID Assessments will be billed and collected by the Kaufman Tax Assessor/ Collector along with the other property taxes.

How Are Annual Installments determined:

Each year, the PID Administrator prepares and submits the PID annual budget for PID debt and administration obligations to the City for City Council approval. The Annual Installments billed and collected from each property represent a proportionate share of the annual PID budget approved by the City Council each year. Please contact the PID Administrator for details regarding the proportional amount of the annual PID budget applicable to your property.

What is a TIRZ credit:

The Tax Increment Reinvestment Zone (“TIRZ”) credit is a pledge that a participating taxing jurisdiction will pay a portion of the PID Annual Installments due based upon a percentage of applicable incremental ad valorem taxes generated by each property within the PID.

The City and County have pledged 75% and 50%, respectively, of the incremental property taxes (M&O portion only) paid in a given year (the “TIRZ Credit”) to reduce the applicable PID Annual Installment due from the property the following year. The TIRZ credit, if applicable, is applied to REDUCE a property owner’s Annual Installment due. Property owner’s DO NOT have to apply for this credit and WILL NOT receive a rebate check. Please contact the PID Administrator for details regarding any TIRZ Credit applicable to your property.

Can Annual Installments be escrowed with Mortgage:

Yes. Any property owner can arrange for the annual installments to be escrowed with their mortgage payments like other property taxes.

What Happens if Assessments are Delinquent:

The PID Assessments represent a lien against each property within the PID. As a result, all actions and remedies available for enforcing collection of delinquent property tax collections also apply to PID Assessments. Failure to pay the Assessment obligations will result in foreclosure in the same manner as delinquent property taxes.

What Happens to Assessments upon transfer of ownership:

The PID Assessments obligation will transfer to the new property owner for the remainder of the Assessment term. The new property owner will assume the obligation to pay any remaining unpaid PID Assessments. If Assessment are prepaid in full prior to the transfer of ownership, the PID assessment obligation will terminate and there will be no PID Assessment obligation on the new property owner.

Who is the PID Administrator and the City where can I get additional information or details

regarding the PID:

PID Administrator:

MuniCap, Inc.
600 E. John Carpenter Freeway, Suite 333
Irving, TX 75062
469-490-2800 main
866-648-8482 toll free

City of Kaufman:

Finance Department
City of Kaufman, Texas
209 S. Washington St.
Kaufman, TX 75142
972-932-2216 (office)