

- Chapter 372 of the Local Government Code
- City Council may initiate the petition process
- must promote an interest of the City
- golf course and treatment plant are eligible
- the petition requirements are very detailed as to the project specifics
- generally....more than 50% of those owners within proposed boundaries must sign
- specific findings may be made by City Council if petition filed with City Secretary
- may use City staff or consultants to compile report prior to required public hearing
- may appoint advisory board but not required
- public hearing requires publication and individual notice to owners to be assessed
- during the six months after the hearing the City Council may authorize the PID
- election not required
- requires majority of all members of council
- assessment can be different among properties and may be adjusted year to year
- can be dissolved by same petition process as formed but assessment remains until paid

LOCAL GOVERNMENT CODE

CHAPTER 372. IMPROVEMENT DISTRICTS IN MUNICIPALITIES AND COUNTIES

SUBCHAPTER A. PUBLIC IMPROVEMENT DISTRICTS

1. The City Council may exercise the powers granted under 372 either by initiating the petition process or upon receipt of a petition. Sec. 372.002
2. The City Council must find that the proposed improvement promotes an interest of the municipality. Sec. 372.003
3. The following are eligible under 372: acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements and the establishment or improvement of parks, as well as special supplemental services for improvement and promotion of the district...including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement...and the payment of expenses incurred in the establishment, administration, and operation of the district. Sec. 372.003
4. An improvement project may consist of an improvement on more than one street or of more than one type of improvement. A project described by this section may be included in one proceeding and financed as one improvement project. The golf course and treatment plant can be one project. Sec. 372.004
5. A petition for the establishment of a public improvement district must state:
 - a. the general nature of the proposed improvement;
 - b. the estimated cost of the improvement;
 - c. the boundaries of the proposed assessment district;
 - d. the proposed method of assessment, which may specify included or excluded classes of assessable property;
 - e. the proposed apportionment of cost between the public improvement district and the City;
 - f. whether the management of the district is to be by the City, the private sector, or a public private partnership;
 - g. that the persons signing the petition request or concur with the establishment of the district; and
 - h. that an advisory body **may** be established to develop and recommend an improvement plan to the City Council. Sec. 372.005
6. The petition is sufficient if signed by:
 - a. owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as

determined by the current roll of the appraisal district in which the property is located; and

- b. record owners of real property liable for assessment under the proposal who:
 - (1) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or
 - (2) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.
 - c. The petition may be filed with the City Secretary. Sec. 372.005
7. If a petition that complies with this subchapter is filed, the City Council **may** make findings by resolution as to the advisability of the proposed improvement, its estimated cost, the method of assessment, and the apportionment of cost between the proposed improvement district and the City. Sec. 372.006
8. Before holding the required public hearing, the City Council may use City employees or consultants to prepare a report to determine whether an improvement should be made as proposed by petition or otherwise or whether the improvement should be made in combination with other improvements authorized...the City Council may also require that a preliminary estimate of the cost of the improvement or combination of improvements be made. Sec. 372.007
9. For the purpose of determining the feasibility and desirability of an improvement district, the City Council may take other preliminary steps before the required public hearing, before establishing a public improvement district, or before entering into a contract. Sec. 372.007
10. After receiving a petition that complies, the City Council **may** appoint an advisory body with the responsibility of developing and recommending an improvement plan to the City Council. Sec. 372.008
11. The composition of the advisory body **must** include owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and record owners of real property liable for assessment under the proposal who constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal. Sec. 372.008
12. A public improvement district may be established and improvements provided by the district may be financed only after the City Council holds a public hearing on the advisability of the improvement. Sec. 372.009
13. The hearing may be adjourned from time to time until the City Council makes findings by resolution as to:
- a. the advisability of the improvement;
 - b. the nature of the improvement;
 - c. the estimated cost of the improvement;

- d. the boundaries of the public improvement district;
- e. the method of assessment; and
- f. the apportionment of costs between the district and the City. Sec. 372.009

14. Notice of the hearing must be given in a newspaper of general circulation in the City. The final publication of notice must be made before the 15th day before the date of the hearing. Sec.372.009

15. The notice must state:

- a. the time and place of the hearing;
- b. the general nature of the proposed improvement;
- c. the estimated cost of the improvement;
- d. the boundaries of the proposed assessment district;
- e. the proposed method of assessment; and
- f. the proposed apportionment of cost between the improvement district and the City. Sec. 372.009

16. Written notice containing the above required information must be mailed before the 15th day before the date of the hearing. The notice must be addressed to "Property Owner" and mailed to the current address of the owner, as reflected on tax rolls, of property subject to assessment under the proposed public improvement district. Sec. 372.009

17. During the six-month period after the date of the final adjournment of the hearing, the City Council may authorize an improvement district if, by majority vote of all members of the City Council, the members adopt a resolution authorizing the district in accordance with its finding as to the advisability of the improvement. Sec. 372.010

18. An authorization takes effect when it has been published one time in a newspaper of general circulation in the City. Sec. 372.010

19. Actual construction of an improvement may not begin until after the 20th day after the date the authorization takes effect and may not begin if during that 20-day period written protests signed by at least two-thirds of the owners of record of property within the improvement district or by the owners of record of property comprising at least two-thirds of the total area of the district are filed with the City Secretary. A person whose name appears on a protest may withdraw the name from the protest at any time before the City Council convenes to determine the sufficiency of the protest. Sec. 372.010

20. A public hearing may be called and held for the purpose of dissolving a district if a petition requesting dissolution is filed and the petition contains the signatures of at least enough property owners in the district to make a petition sufficient. If the district is dissolved, the district nonetheless shall remain in effect for the purpose of meeting obligations of indebtedness for improvements. Sec. 372.011

21. The City Council shall apportion the cost of an improvement to be assessed against property in an improvement district. The apportionment shall be made on the basis of special benefits accruing to the property because of the improvement. Sec. 372.015

22. Cost of an improvement may be assessed:

- a. equally per front foot or square foot;
- b. according to the value of the property as determined by the City Council, with or without regard to improvements on the property; or
- c. in any other manner that results in imposing equal shares of the cost on property similarly benefitted.
- d. The City Council may establish by ordinance or order:
 - (1) reasonable classifications and formulas for the apportionment of the cost between the municipality or county and the area to be assessed; and
 - (2) the methods of assessing the special benefits for various classes of improvements.
- e. The amount of assessment for each property owner may be adjusted following the annual review of the service plan. Sec. 372.015