

## **Public Improvement District (PID)**

The Public Improvement District Assessment Act (Chapter 372 of the [Local Government Code](#)) allows any city to levy and collect special assessments on property that is within the city or within the city's Extraterritorial Jurisdiction (ETJ).

A Public Improvement District may be formed to perform any of the following improvements:

1. Water, wastewater, health and sanitation, or drainage improvements
2. Street and sidewalk improvements
3. Mass transit improvements
4. Parking improvements
5. Library improvements
6. Park, recreation, and cultural improvements
7. Landscaping and other aesthetic improvements
8. Art installation
9. Creation of pedestrian malls
10. Similar improvements
11. Supplemental safety services for the improvement of the district, including public safety and security services; or
12. Supplemental business-related services for the improvement of the district.

## **Municipal Management District (MMD)**

A Municipal Management District is a relatively new economic development tool that allows commercial property owners to enhance a defined business area. The district has the power to levy an ad valorem property tax, wastewater, drainage, road, or mass transit improvements that are located inside and outside the district.

For more information regarding both PIDs and MMDs, please see [Tourism Tip Sheet: Public Improvement/Municipal Management Districts](#).

## **Tax Increment Financing (TIF)**

TIF Districts assist in financing development of unimproved or blighted land by dedicating the real estate property taxes to be generated by the built project to a TIF Fund for payment of the principal and interest on TIF Bonds. Under a TIF, the property owner pays taxes on the full value of the property, and the taxing entities pay into the TIF Fund the taxes attributed to the added value of the land due to the new development. TIF Bonds may be issued for a maximum of 20 years and may be used to pay for public improvements associated with a development including but not limited to parking, infrastructure, land acquisition, and utilities.

More information regarding TIFs in Tarrant County is located at [Tarrant County Incentive Programs](#). Additional information can be found on the Texas State Comptroller of Public Accounts website at [Tax Increment Financing Registry](#).

## **Business Improvement Districts (BID)**

A BID is an organization of property owners in a commercial district who tax themselves to raise money for neighborhood improvement. Core functions usually include keeping sidewalks and curbs clean, removing graffiti, and patrolling the streets. Once a BID is formed, the assessment is mandatory, collected by the city like any other tax. Unlike any other taxes, however, the city returns the assessment to the BID management for use in the district. There are approximately 1,000 to 2,000 such districts nationwide including districts in the cities of [San Diego](#), [Downtown Albany](#), [Downtown Los Angeles](#), [Downtown D.C.](#), and [New York City](#).

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