

MUNICIPAL UTILITY DISTRICTS

A MUNICIPAL UTILITY DISTRICT (MUD) IS A POLITICAL SUBDIVISION AUTHORIZED EITHER BY THE TEXAS LEGISLATURE OR BY THE TEXAS COMMISSION OF ENVIRONMENTAL QUALITY (TCEQ). THE PURPOSE OF A MUD IS TO PROVIDE A DEVELOPER AN ALTERNATIVE WAY TO FINANCE INFRASTRUCTURE, SUCH AS WATER, SEWER, DRAINAGE, AND ROAD FACILITIES.

HOW DO YOU KNOW IF YOUR PROPERTY HAS A MUD?

BUYERS OF NEW CONSTRUCTION ARE INFORMED IF A PROPERTY IS IN A MUD. FOR REALES, IT IS IMPORTANT TO CHECK THE TAX CERTIFICATE PROVIDED BY MOMENTUM TITLE TO DETERMINE IF THE PROPERTY HAS A MUD TAX.

WHAT ARE THE BENEFITS?

THERE ARE ADVANTAGES TO LIVING IN A MUD SUCH AS ACCESS TO ENHANCED INFRASTRUCTURE, INCLUDING WATER AND SEWAGE SYSTEMS, ROADS, AND PARKS.

ARE MUD TAXES INCLUDED IN THE PROPERTY TAXES?

MUD TAXES ARE ASSESSED ANNUALLY. THE OVERALL PROPERTY TAXES ON YOUR HOME WILL INCLUDE MUD TAXES ON THE STATEMENT. YOU WILL NOT RECEIVE A SEPERATE BILL FOR MUD TAXES.

IS A MUD PERMENANT?

MUD TAXES DO NOT REMAIN FIXED AS PERMANENT PROPERTY TAXES. RATHER, THEY DECREASE GRADUALLY OVER TIME AS THE BONDS OR DEBTS ARE RETIRED. THIS MEANS THAT NEWLY DEVELOPED AREAS WILL EXPERIENCE HIGHER TAX RATES INITIALLY . ONCE THE ASSOCIATED BONDS ARE PAID OFF, THE MUD TAX WILL BE ELIMINATED.

