



What is a M.U.D.

MUNICIPAL UTILITY DISTRICT

A municipal utility district (MUD) is a political subdivision of the State of Texas authorized by the Texas Commission of Environmental Quality (TCEQ) to provide water, sewer, drainage, and other utility-related services within the MUD boundaries.

A MUD provides a developer an alternate way to finance infrastructure, such as water, sewer, drainage, and road facilities when developments are not located within city limits, or cities are unwilling or unable to extend said services, allowing the cost of infrastructure to be paid over time rather than building it into the initial home price.

MUDS operate with a reimbursement model that requires developers to pay all costs relating to the design and construction of infrastructure and bear the financial risk involved. Once sufficient development has occurred, MUDS will issue tax-free municipal bonds to reimburse the Developers for such costs. The MUD will then levy property taxes within its boundaries to make payments on the bonds.

MUDS are managed by a Board of Directors elected by property owners within the MUD who engage professional consultants such as, (Operators, Engineers, Attorneys, Bookkeepers,

Financial Advisors, and Tax Assessor/Collectors to advise the MUD on all matters involved in providing service to its residents, complying with state laws and the regulations of the TCEQ, and owning, operating and maintaining the infrastructure within the MUD.

As the MUD pays off its debt, the tax revenue can be used for additional services, such as security and parks. Tax rates can also be reduced. Ricewood MUD has done both. We contract with Harris County Sheriff's Office to provide five deputies to patrol the district, and the tax rates have been reduced. The 1993 Tax rate in Ricewood MUD was \$1.52 per \$100.00 of valuation and the most recent tax rate (2022) is \$0.34 per \$100.00 of valuation.

In Ricewood MUD, your monthly water bill includes water, sewer, garbage collection, and a fee to the West Harris County Regional Water Authority (WHCRWA), who is responsible for building infrastructure to bring surface water from the City of Houston to our district.

Visit our website at
RicewoodMUD.com