

WHAT IS A MUD?

A **MUD**, also known as a **Municipal Utility District**, is a governmental entity created to provide residents of the community with the ultimate American Dream – affordably-priced housing, reliable infrastructure, and quality communities.

3 PRIMARY FUNCTIONS OF A MUD:



WATER

- Protecting, preserving, and restoring the purity and sanitary condition of Texas water



SEWAGE

- Collecting, transporting, processing, and disposing of waste



DRAINAGE

- Improving drainage and flood control

MUDs also provide roads, community parks, and recreational facilities

WHO GOVERNS A MUD?

A five-member Board is initially appointed by the TCEQ and later elected by members of the community.

There are **1,094** MUDs located in the Houston area.

MUDs have helped support Houston-area housing supply by financing the infrastructure needed for new communities.

The infrastructure serving a new community is generally paid for by the property owners who benefit from it, rather than by taxpayers across the broader city or county.

MUD infrastructure is **public infrastructure**, and district decisions are made through a local public board with open meetings, public records, and resident elections.

The Woodlands, Cinco Ranch, Shadow Creek Ranch, Sienna Plantation, and Towne Lake are examples of master-planned communities served by MUDs.

A Houston-area model found a \$250,000 modeled MUD home price compared with \$475,000 in a non-MUD scenario where infrastructure costs are embedded in the home price, a \$225,000 difference.

More than **4 million** Texans live in MUD communities.

HOW DO MUDS HELP TEXAS COMMUNITIES GROW?



As Texas Grows, Muds Help Communities Add Housing Near Jobs by Financing the Infrastructure New Neighborhoods Need.

- In June 2026, Texas' median home sales price was approximately \$342,900, below the national median existing single-family home price of \$446,400.
- 52% of MUDs within Houston's ETJ have a lower tax rate than the city as a whole.

MUDs Support Economic Growth by Providing the Infrastructure Needed for Homes, Neighborhood Services, and Commercial Development.

- In addition to community resources, MUDs also provide local jobs -- construction of a single-family home generates one permanent job and three temporary jobs.
- MUDs help support more attainable housing by spreading major infrastructure costs over time instead of placing the full cost into the upfront home price.

DEVELOPERS PLAY AN IMPORTANT ROLE IN BUILDING COMMUNITIES



Developers typically build or fund eligible public infrastructure upfront. Reimbursement occurs only through a regulated process, after review and approval, and only for eligible public infrastructure costs.

MUDs help provide municipal-quality services in areas where city infrastructure is not yet available or where cities and counties are not positioned to fund new infrastructure on their own.

- MUDs offer municipal-quality services in areas that are not supported by a city, or where the city can't support the cost of new infrastructure in underdeveloped areas.

MUDS ARE HIGHLY REGULATED

MUDs are subject to open meetings, public information, elections, financial reporting, public bidding, TCEQ oversight, Texas Attorney General bond review, and applicable state/federal water quality standards.

MUDs operate under state law and oversight from agencies such as TCEQ and the Texas Attorney General, with additional local requirements that may apply depending on the district.