

# UNDERSTANDING

## MUDS, PIDS, AND OTHER SPECIAL IMPROVEMENT DISTRICTS



### **MUD** MUNICIPAL UTILITY DISTRICTS

#### *WHAT IS A MUD?*

A Municipal Utility Districts (MUD) is a governmental entity created to fund improvements, or infrastructure, or utility services to a designated area. Typically, a MUD is created in an area outside city limits or outside where a city was previously providing utility services.

**Notification Requirements:** Sellers of real property located in a MUD must provide a notice to buyers prior to the execution of the sales contract. The notice may be given separately or as an addendum to the contract.

#### *HOW DO I FIND OUT IF A PROPERTY IS IN A MUD?*

A MUD is created under the authority of the Texas Commission of Environmental Quality (TCEQ).

To find out if an address is in a MUD, you may search the address online:

**<https://www.tceq.texas.gov/gis/iwudview.html>**.

As of June 18, 2023, a MUD is required to make the completed notice available online, as well as file them with the county Real Property Records.

### **PID** PUBLIC IMPROVEMENT DISTRICTS

#### *WHAT IS A PID?*

A Public Improvement Districts (PID) is a special district created by a city or county to pay for improvements such as landscaping, parks, lakes and fountains and other recreational and pedestrian improvements. With a PID, a specific area receives funds for the improvements, and owners of the benefited land pay back the amount. This amount may be paid upfront or over a course of time, until the full amount is paid off. Unlike HOA dues, a PID may be tax deductible.

**Notification Requirements:** Sellers of real property located in a PID must provide a notice to buyers prior to the execution of the sales contract. The notice may be given separately or as an addendum to the contract. A separate copy of the notice must be signed notarized and recorded at closing.

#### *HOW DO I FIND OUT IF A PROPERTY IS IN A PID?*

PIDs may appear on the County Appraisal District's website, on Seller's tax bills, or on the PIDs website. The PID is also required to file a copy of the notice in the county Real Property Records.

*FOR MORE DETAILS ON MUDS, PIDS, TIFS (TAX INCREMENT FINANCING), AND WCID (WATER CONTROL AND IMPROVEMENT DISTRICTS), VISIT OUR WEBSITE.*

