



# MUNICIPAL MANAGEMENT DISTRICTS



- Municipal Management Districts (MMD) or “Improvement Districts” are special political subdivisions created to promote economic development and enhance the public welfare within a defined area. Designed to complement, not replace, existing city and county services, typically focusing on improvements and services beyond what those entities provide.
- There are at least 100 MMDs in Texas, with a majority of MMDs located in the Houston metropolitan area.
- Created by an act of the Texas Legislature (special law) in addition to receiving approval from the municipality in which they are located.
- Regulated by Chapter 375, Local Government Code, and Chapter 49, Texas Water Code, as well as the enabling legislation that created it.
- Governed by a board of directors who serve four-year staggered terms, initially appointed in the creation legislation, and then future directors are appointed by the city, the county, or the Texas Commission on Environmental Quality (the “TCEQ”) from nominations made by the district.
- MMDs can levy taxes, assessments, and fees on properties within their boundaries to fund their activities.
- MMDs are empowered to finance and provide infrastructure improvements like roads, drainage, and utilities, as well as supplemental services like public safety, landscaping, and recreational facilities.
- MMDs are used to support existing major activity centers, promote neighborhood revitalization, and support raw land development.
- Subject to continuing oversight of the TCEQ, as well as cities, which may appoint the Board of Directors, consent to issue bonds, approve improvements constructed within City rights-of-way, and annexations.