

Name of Funding: Municipal Management District (MMD)

Focus of Funding: Permanent political entity for a specific neighborhood with taxing powers

Eligibility Requirements:

For local government: Can be created by either an act of the state legislature or by the Texas Commission on Environmental Quality (TCEQ). The city will be required to show that the MMD will help economic development if submitted to TCEQ.

For recipient: A MMD can fund anything that a city can fund out of its general fund, including police, streets, parks, etc.

Funding Mechanism: MMDs can raise revenue through a property tax, a special assessment, or an impact fee.

Maximum amount: There is no maximum amount on funding.

Other rules of the program: State law does not allow a city to reduce service or charge district for current level of service. District can raise bonds. Taxes have to be approved by general election in district and the owners of a majority of the district's property value.

Advantages of the program: City is not liable for bond debt and does not pull money out of general fund.

Drawbacks of the program: Property in district is liable for bond debt.

Case Study Examples: Used in the Cities of Corpus Christi, Houston (10 districts), League City, and El Paso

Downtown Houston <http://www.downtowndistrict.org/Home/>

Sources: [Municipal Management Districts - West Dallas Chamber of Commerce.pdf](#)