

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12 BOND
AUTHORIZATION ELECTION

What is bond authorization?

- A bond authorization is an approval process to authorize the MUD's Board of Directors to sell bonds at future dates to fund capital projects within the MUD. An authorization is not immediate funding, nor is it a "blank check" to fund projects without meeting strict regulatory requirements. While an authorization may be approved for a large amount, bonds may only be sold if and when necessary projects are ready to begin.

What will the bond authorization be used for?

- A bond authorization will allow the MUD to sell bonds in order to fund maintenance and upkeep of facility equipment, assets and conditions at the MUD's facilities.

What is a refunding bond?

- A Refunding Bond allows state and local governments to restructure debt service payments, achieve savings on outstanding bonds, and secure more favorable interest rates. If approved, this authorization would give the MUD the ability to refund existing bonds, providing greater financial flexibility through improved interest rates and restructured debt service payments.

How are bonds issued?

- Bonds are issued through an extensive review process in order to ensure that projects being funded are necessary, reasonable, and feasible. The Bonds are reviewed and approved by both the Texas Commission on Environmental Quality and the Texas Attorney General's Office.

How will bond authorization affect my taxes?

- Bonds are repaid through property taxes. The MUD levies a debt service tax to repay bonds which is a portion of your overall MUD tax rate. Bond authorization does not automatically raise your taxes and taxes can potentially not be raised at all in order to fund and repay bond debt.