

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE X. DISTRICTS WITH COMBINED POWERS
CHAPTER 11002. LAJITAS UTILITY DISTRICT NO. 1 OF BREWSTER COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11002.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Lajitas Utility District No. 1 of Brewster County.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.002. NATURE OF DISTRICT. The district is a utility district with combined powers created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

(a) The district is created to serve a public purpose and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of:

- (1) a municipal utility district as provided by

general law and Section 59, Article XVI, Texas Constitution;

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and

(3) Section 52-a, Article III, Texas Constitution, that relate to the development and diversification of the economy of this state and other purposes of that section.

(d) The creation of the district is in the public interest and essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district is not an agent or instrumentality of a private interest even though the district will benefit private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.005. INITIAL DISTRICT TERRITORY. (a) The

district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11002.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section [11002.052](#), directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Brent Ratliff;

(2) George Kutch;

(3) John Nolan;

(4) Renee Lorenz; and

(5) H. C. Ross.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section [11002.003](#); or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(d) If permanent directors have not been elected under Section 11002.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 11002.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11002.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.103. IMPROVEMENT PROJECTS AND SERVICES. Except as provided by Section [11002.113](#), the district may provide improvement projects and services in the same manner as a municipal management district under Section [375.112](#), Local Government Code. Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.104. AUTHORITY FOR ROAD PROJECTS. (a) Under Section [52](#), Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section [54.234](#), Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section [54.234](#), Water Code.

(c) The district, at the district's expense, shall repair and maintain any internal streets and roads in the district. Brewster County has no obligation to repair or maintain the internal streets and roads in the district, even on dissolution of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.105. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section [11002.104](#) unless:

(1) each county that will operate and maintain the road has approved the plans and specifications of the road project, if a county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation

Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.107. LIMITATION ON USE OF EMINENT DOMAIN.
(a) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section 11002.104; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

(b) If the district's exercise of its eminent domain power requires relocating, raising, lowering, rerouting, or altering the construction of any electric transmission or electric distribution line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, or altering the construction of any electric transmission or electric distribution line to provide a comparable replacement without enhancing the facility, after deducting from the cost the net salvage value derived from the old facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.108. ELECTRIC POWER FACILITIES. The district may construct or acquire electric power generating, transmission, and distribution facilities and improvements in aid of these facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1,

eff. June 17, 2011.

Sec. 11002.109. AIRPORT. The district may construct, acquire, improve, maintain, and operate an airport and improvements in aid of the airport.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.110. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.111. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section [11002.003](#) to confirm the district's creation.

(f) An order dividing the district shall:

- (1) name each new district;
- (2) include the metes and bounds of each new district;
- (3) appoint temporary directors for each new district;

and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 11002.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.112. GROUNDWATER REGULATION. Section 36.121, Water Code, does not apply to a groundwater well owned or used by the district within the boundaries of the Brewster County Groundwater Conservation District. The rules of the Brewster County Groundwater Conservation District govern a groundwater well owned or used by the district within the Brewster County Groundwater Conservation District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.113. RETAIL ELECTRIC UTILITY SERVICES PROHIBITED. The district may not provide retail electric utility services, including transmission and distribution services, to residential, retail, commercial, industrial, or other customers inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. TRANSFER OF PUBLIC IMPROVEMENTS

Sec. 11002.151. DEFINITION. In this subchapter, "receiving entity" means the entity that holds a certificate of convenience and necessity issued by the Public Utility Commission of Texas for the territory included in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.152. TRANSFER OF CERTAIN IMPROVEMENTS REQUIRED. Subject to Section 11002.155, the district shall transfer improvements described by Section 11002.108 in accordance with this section on the later of:

(1) the date that the district acquires or completes the improvement; or

(2) the date the receiving entity approves the transfer.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.153. CONSTRUCTION STANDARDS. A public improvement transferred under this subchapter must be constructed in compliance with:

(1) the requirements and specifications established by the receiving entity on or before the date that construction of the improvement begins; and

(2) any tariffs for the electric utility or cooperative that is the receiving entity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.154. PARTIAL TRANSFER IN STAGES. The district may transfer part of an improvement under this subchapter if the district completes construction of the improvement in stages.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.155. TRANSFER WITHOUT DEBT REQUIRED. The district shall convey all improvements that it is required to transfer under this subchapter without debt or other encumbrance. Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.156. OWNERSHIP AND RESPONSIBILITY AFTER TRANSFER. (a) After a transfer under this subchapter, the receiving entity owns the improvement and has sole jurisdiction and control over the improvement. On acceptance of the transfer, the receiving entity is responsible for all maintenance of the improvement, and the district is not responsible for the improvement or its maintenance.

(b) This section does not affect any authority of the receiving entity to alter, relocate, close, or discontinue maintenance of an improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.157. EFFECT OF CONVEYANCE ON DISTRICT DEBT. Conveyance of a public improvement to a receiving entity under this subchapter does not affect:

(1) the sole responsibility of the district to pay in full the principal of and interest and any premium on any outstanding district bonds or other debt; or

(2) the district's responsibility to perform the obligations provided by an order or resolution authorizing bonds or other debt.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 11002.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 11002.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 11002.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. 3804), Sec. 1, eff. June 17, 2011.

Sec. 11002.204. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that

purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of a sales and use tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Chapter [321](#), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

(e) The district may not impose a sales and use tax at a rate that would cause the rate of the total sales and use taxes collected by all municipalities and other political subdivisions at a location in the district to exceed the maximum rate allowed by law. If a political subdivision's increase to a sales and use tax rate causes the total sales and use tax rate imposed at a location in the district to exceed the maximum rate allowed by law, the district's sales and use tax rate is automatically reduced to bring the total rate imposed at that location down to a rate allowed by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.205. ASSESSMENTS; MUNICIPAL MANAGEMENT DISTRICT POWERS. Except as provided by Section [11002.206](#), the district may levy and collect special assessments in the same manner and for the same purposes as a municipal management district as provided in

Subchapter F, Chapter [375](#), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.206. ELECTRIC UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of an electric cooperative as defined by Section [161.002](#), Utilities Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 11002.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, sales and use taxes, other district money, or any combination of those sources to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.252. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section [54.601](#), Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections [54.601](#) and [54.602](#), Water Code, govern the amount and rate of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.

Sec. 11002.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad

valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1189 (H.B. [3804](#)), Sec. 1, eff. June 17, 2011.