

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

For contingent expiration of this chapter, see Sec. 8109.003.

CHAPTER 8109. CLL MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8109.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the CLL Municipal Utility District No. 1.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.002. NATURE OF DISTRICT. The district is a municipal utility district in Bell and Williamson Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.0025. PURPOSE; DECLARATION OF INTENT. (a) The district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 1,

eff. June 17, 2011.

Sec. 8109.0026. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a) The district is created to serve a public use 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 creation of the district is in the public interest and is essential to:

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

(2) eliminate unemployment and underemployment; and

(3) develop commerce.

(d) The district will:

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

(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 trails, landscaping, and other services that are necessary for the restoration, preservation, and enhancement of the scenic beauty and environment of the area.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 1, eff. June 17, 2011.

Sec. 8109.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8109.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Bell and Williamson Counties in

proportion to the contribution of money made; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.004. 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:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.005. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapters 30, 49, and 54, Water Code, apply to the district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8109.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms that expire June 1 of even-numbered years.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

#### SUBCHAPTER C. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS

Sec. 8109.101. DIVISION OF DISTRICT; PREREQUISITES.

(a) At any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into an original district and one or more new districts. The board shall determine which portion of the divided area constitutes the original district. The original district and a district created by the division of the original district may be divided under this section more than once.

(b) A district created by division of the original district under Subsection (a) may further subdivide as determined by the board of that district.

(c) After a division under Subsection (a) or (b), the original district and any new district created must be at least 85 acres.

(d) The board by resolution may declare an intent to divide the district. The resolution must:

(1) set the terms of the division, including a plan for the payment or performance of any outstanding district obligations; and

(2) contain a metes and bounds description for each district, including the modified original district.

(e) Section 42.042, Local Government Code, and Section 54.016, Water Code, do not apply to the creation of a new district by division under this subchapter.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 290 (H.B. 4610), Sec. 1, eff. September 1, 2021.

Sec. 8109.102. DISTRICT DIVISION BY ELECTION. (a) Except as provided by Section 8109.103, the board shall hold an election in the district to determine whether the district should be divided as proposed under Section 8109.101(d).

(b) The board shall give notice of the election not later than the 20th day before the date of the election. The notice must state:

- (1) the date and location of the election; and
- (2) the proposition to be voted on.

(c) If a majority of the votes are cast in favor of the division, the district is divided.

(d) If less than a majority of the votes are cast in favor of the division, the district may not be divided.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.103. DISTRICT DIVISION BY CONSENT. (a) The board may approve and order the division of the district without an election if the board has received written consent to the proposed division from all title holders of the land in the district as indicated by the tax rolls of the central appraisal district of each county in which the district is located.

(b) If the board orders the division without an election, the district is divided as of the date of the order.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. 1346), Sec. 1, eff. September 1, 2005.

Sec. 8109.104. NOTICE OF DIVISION. Not later than the 30th day after the date of a division under this subchapter, the district shall provide written notice of the plan for division to:

- (1) the Texas Commission on Environmental Quality;
- (2) the attorney general;
- (3) the commissioners court of each county in which a new district is located; and
- (4) any municipality having extraterritorial jurisdiction over territory in each new district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. [1346](#)), Sec. 1, eff. September 1, 2005.

Sec. 8109.105. DISTRICT NAMES FOLLOWING DIVISION. The area designated by the board as the original district retains the name of the original district. The resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. [1346](#)), Sec. 1, eff. September 1, 2005.

Sec. 8109.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) After a division under this subchapter, the board shall continue to act as the board of the original district.

(b) Not later than the 90th day after the date of the division, the board shall appoint five directors for each of the new districts. A person appointed under this subsection is not required to own land in or reside in the district for which the person is appointed.

(c) Directors of the original district serve the staggered terms to which they were elected before the division. Directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, an election shall be held to elect five directors in each district for which directors were appointed under Subsection (b). Of the five directors elected in each district, the three directors receiving the greatest number of votes shall serve terms expiring June 1 following the second regularly scheduled election of directors under Subsection (e), and the remaining two directors shall serve terms expiring June 1 following the first regularly scheduled election of directors.

(e) Except as provided by Subsection (d), directors serve staggered four-year terms. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. [1346](#)), Sec. 1, eff. September 1, 2005.

Sec. 8109.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Any other district obligation shall be divided pro rata among the new districts and the original district on an acreage basis or on other terms that are satisfactory to the new districts. Added by Acts 2005, 79th Leg., Ch. 566 (H.B. [1346](#)), Sec. 1, eff. September 1, 2005.

Sec. 8109.108. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other and with the original district for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

Added by Acts 2005, 79th Leg., Ch. 566 (H.B. [1346](#)), Sec. 1, eff. September 1, 2005.

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 8109.151. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter [375](#), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. [3845](#)), Sec. 2, eff. June 17, 2011.

Sec. 8109.152. EXERCISE OF POWERS OF DEVELOPMENT

CORPORATION. The district may exercise the powers of a corporation created under Section 380.001(c) or Chapter 501, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.153. 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.154. 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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.155. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8109.154 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.156. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.157. 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.158. LIMITATION ON USE OF EMINENT DOMAIN.  
(a) The district may only exercise the power of eminent domain described by Chapters 49 and 54, Water Code.

(b) 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 8109.154; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

(c) The district may not exercise the power of eminent domain for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

#### SUBCHAPTER E. IMPROVEMENT PROJECTS

Sec. 8109.201. IMPROVEMENT PROJECTS; SERVICES. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects

and services described by this subchapter or activities in support of or incidental to those projects and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.202. BOARD DETERMINATION REQUIRED. The district may not undertake a project under this subchapter unless the board determines the project to be necessary to accomplish a public purpose of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.203. WATER. An improvement project may include a:

- (1) wastewater treatment and disposal facility;
- (2) water quality protection facility; and
- (3) facility to enhance groundwater recharge.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.204. IRRIGATION AND DRAINAGE. An improvement project may include facilities for irrigation and drainage.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.205. SOLID WASTE SERVICES. An improvement project may include solid waste management services, including garbage collection, recycling, and composting.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.206. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

- (1) a conference, convention, or exhibition;
- (2) a manufacturer, consumer, or trade show;

(3) a civic, community, or institutional event; or

(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.207. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. In addition to the projects and services described by Section 375.112, Local Government Code, an improvement project may include the planning, design, construction, improvement, and maintenance of:

(1) highway right-of-way or transit corridor beautification and improvement;

(2) a hiking and cycling path or trail;

(3) a garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve; or

(4) a storm water detention improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.208. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

#### SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8109.251. ASSESSMENTS. 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

#### SUBCHAPTER G. BONDS AND OTHER OBLIGATIONS

Sec. 8109.301. 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, hotel occupancy taxes, 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.302. ELECTIONS REGARDING TAXES AND BONDS. (a) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(b) Section 375.243, Local Government Code, does not apply to the district.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.303. 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.304. 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. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

#### SUBCHAPTER H. SALES AND USE TAX

Sec. 8109.351. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.352. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the CLL Municipal Utility District No. 1 at a rate not to exceed \_\_\_\_ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.353. SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section 8109.352, at which the voters approved

imposition of the tax authorized by this subchapter, the board shall determine the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section [8109.352](#), the board may decrease the rate of the tax by one or more increments of one-eighth of one percent. The board may not decrease the rate of the tax if the decrease would impair the repayment of any outstanding debt or obligation payable from the tax.

(c) The initial rate of the tax or any rate resulting from subsequent decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section [8109.352](#); or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section [321.101\(f\)](#), Tax Code, at any location in the district.

(d) The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section [321.405\(b\)](#), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. [3845](#)), Sec. 2, eff. June 17, 2011.

Sec. 8109.354. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. [3845](#)), Sec. 2, eff. June 17, 2011.

#### SUBCHAPTER I. HOTEL OCCUPANCY TAX

Sec. 8109.401. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) In this subchapter:

(1) a reference in Subchapter [A](#), Chapter [351](#), Tax Code, to a municipality is a reference to the district; and

(2) a reference in Subchapter [A](#), Chapter [351](#), Tax

Code, to the governing body of a municipality is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 351, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 351.002(b) and (c), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.402. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose authorized by Section 351.101, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.

Sec. 8109.403. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the maximum rate provided by Section 351.003(a), Tax Code.

(b) The district may not adopt a hotel occupancy tax at a rate that would cause the combined rate of all hotel occupancy taxes imposed by the district and other political subdivisions of this state at a location in the district to exceed 15 percent. If a political subdivision's adoption of a hotel occupancy tax rate causes the combined hotel occupancy tax rate imposed at a location in the district to exceed 15 percent, the district's hotel occupancy tax rate in the entire district is automatically reduced to bring the combined rate imposed at that location down to not more than 15 percent.

(c) The district shall notify each hotel in the district of any change in the hotel occupancy tax rate under this section.

(d) Any change in the hotel occupancy tax rate takes effect on the first day of the next calendar month following the change.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1194 (H.B. 3845), Sec. 2, eff. June 17, 2011.