

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 8434. COTTON CENTER MUNICIPAL UTILITY DISTRICT NO. 2 OF
CALDWELL COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8434.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Cotton Center Municipal Utility District No. 2 of Caldwell County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.003. 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section [8434.003](#) until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

(b) 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; and

(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.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) If the City of Martindale creates a tax increment reinvestment zone described by Subsection (a) that includes all or

part of the territory of the district, the City of Martindale and the board of directors of the zone, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including the right to pledge the money as security for a bond or other obligation issued by the district and for any permissible purpose of a corporation under Section 380.002(b), Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8434.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8434.052, directors serve staggered four-year terms.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Brandon D. Rabe;
- (2) Garrod E. Huebner;
- (3) Brendan K. Puthoff;
- (4) Jeremy P. Poloskey; and
- (5) Brian J. Kaucher.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8434.003; or

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

(c) If permanent directors have not been elected under Section 8434.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under

Section [8434.003](#); or

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

(d) If Subsection (c) 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 commission 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8434.101. 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.102. 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.103. AUTHORITY FOR ROAD PROJECTS. Under Section [52](#), Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.105. COSTS OF ROAD PROJECT. The district may bear the cost of designing, maintaining, improving, and operating a road in the district authorized under Section 8434.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the road, regardless of whether the district conveys the road to this state, a county, or a municipality.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) 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.

(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a

court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution. Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.107. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8434.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district. Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.108. EFFECT OF ANNEXATION BY CITY OF MARTINDALE. Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Martindale and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property. Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8434.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

- (1) has never issued any bonds; and
- (2) is not imposing ad valorem taxes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the

district, and a new district has all the powers and duties of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.153. LIMITATION ON AREA OF NEW DISTRICT. A 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 enacting this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.154. DIVISION PROCEDURES. (a) 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.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section [8434.003](#) to confirm the district's creation.

(c) An order dividing the district must:

- (1) name each new district;
 - (2) include the metes and bounds description of the territory of each new district;
 - (3) appoint temporary directors for each new district;
- and
- (4) provide for the division of assets and liabilities between the new districts.

(d) 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 commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.

Sec. 8434.155. CONFIRMATION ELECTION FOR NEW DISTRICT.

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

8434.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8434.201. 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 8434.203.

(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 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8434.201, 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.203. 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8434.251. 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, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 623 (S.B. 1838), Sec. 1, eff. June 14, 2013.

Sec. 8434.253. 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 2013, 83rd Leg., R.S., Ch. 623 (S.B. [1838](#)), Sec. 1, eff. June 14, 2013.