

WATER CODE

TITLE 4. GENERAL LAW DISTRICTS

CHAPTER 59. REGIONAL DISTRICTS

SUBCHAPTER A. DISTRICT CREATION

Sec. 59.001. PURPOSE AND APPLICATION. (a) The purpose of this chapter is to authorize creation and operation of regional districts for water, sanitary sewer, drainage, and municipal solid waste disposal under Section 59, Article XVI, Texas Constitution.

(b) This chapter applies only in counties with a population of at least 3.3 million or bordering a county with a population of at least 3.3 million.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Amended by Acts 2001, 77th Leg., ch. 669, Sec. 149, eff. Sept. 1, 2001.

Sec. 59.002. DEFINITIONS. (a) In this chapter:

(1) "District" means a district created or operating under this chapter.

(2) "Municipal district" means a district created under general law or a special Act operating under Chapter 51, 53, or 54.

(3) "Bond" means bonds, coupons, notes, or any other evidence of indebtedness.

(b) Other terms not defined by this chapter have the same meaning assigned to those terms by Section 49.001.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.003. CREATION OF DISTRICT. (a) A district may be created by:

(1) The boards of at least 20 percent of the total number of municipal districts to be included in the proposed district may jointly petition the commission for creation of a district. The petition must describe the territory to be included in the district and must include resolutions endorsing creation of the district adopted by each municipal district to be included in

the district.

(2) The owner or owners of 2,000 or more contiguous acres may petition the commission for creation of a district.

(3) The commissioners courts of one or more counties may petition the commission for creation of a district in any territory within the county.

(4) The governing body of any city may petition the commission for creation of a district in any territory within the city or its extraterritorial jurisdiction.

(b) Petitions for the creation of a district must:

(1) describe the boundaries of the proposed district by metes and bounds that adequately and completely circumscribe the property so that there is complete closure of the property or by lot and block numbers if there is a recorded map or plat or subdivision survey of the area;

(2) state the general nature of the work proposed to be done, the necessity of the work, and the cost of any projects of the district as estimated by those filing the petition;

(3) state the name of each petitioner; and

(4) include a name of the district generally descriptive of the locale of the district followed by the words "Regional District."

(c) A proposed district may not have the same name as any other district in the state.

(d) Section 54.013 applies to the composition of districts created under this chapter.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.004. PURPOSES OF DISTRICT. A district shall be created:

(1) to purchase, own, hold, lease, and otherwise acquire sources of water supply;

(2) to build, operate, and maintain facilities for the transportation of water;

(3) to sell water to cities, to political subdivisions of this state, to water supply corporations, to private business entities, and to individuals;

(4) to purchase, own, hold, lease, and otherwise acquire equipment and mechanisms necessary for sanitary sewer and wastewater treatment;

(5) to build, operate, and maintain facilities for sanitary sewer and wastewater treatment;

(6) to transport and treat sanitary sewer and wastewater effluent of cities and political subdivisions of this state and for private business entities or individuals;

(7) to purchase, own, hold, lease, and otherwise acquire equipment and mechanisms for the drainage of storm water and floodwater; and

(8) for the purposes outlined in Section [54.012](#).

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.005. MATCHING FUNDS GUARANTEES. If the Texas Water Development Board requires that matching funds be provided as a condition for receiving a loan or grant from the Texas Water Development Board from research and planning funds, the matching funds may not be provided through a guarantee of matching funds by any individual who has a financial interest in the regional district or who will receive any direct financial benefit from a regional district project.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.006. CONSENT OF CITY. (a) Land in the corporate limits of a city or in the extraterritorial jurisdiction of a city may not be included in a district unless the city grants its written consent by resolution or ordinance to the inclusion of the land in the district.

(b) If the governing body of a city fails or refuses to grant permission for the inclusion of land in its extraterritorial jurisdiction in a district within 120 days after receipt of a written request, the person or entity desiring to create the district may petition the governing body of the city to make available the water, sewer, or drainage service contemplated to be provided by the district.

(c) Failure of the governing body of the city and the

requesting district to execute a mutually agreeable contract providing for the service requested within six months after receipt of a request for consent constitutes authorization for the inclusion of land in the district under this section. Authorization for the inclusion of the land in the district under this section means only authorization to initiate proceedings to include the land in the district as otherwise provided by this chapter.

(d) Sections 54.016(e), (f), (g), and (h) apply under this chapter.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.007. GRANTING OR REFUSING PETITION; EXCLUSION OF TERRITORY. (a) If the commission finds after considering the petition that the petition conforms to the requirements of this chapter and that the creation of the district would be of benefit to the territory to be included in the district, the commission shall issue an order granting the petition for creation. If the commission finds that part of the territory included in the proposed district will not benefit from the creation of the district, the commission shall exclude that territory from the proposed district and redefine the proposed district's boundaries accordingly.

(b) If the commission finds that the petition does not conform to the requirements of this chapter or that the proposed projects are not of benefit to the territory in the proposed district, the commission shall issue an order either denying the petition or requiring petitioners to amend their petition.

(c) A copy of the order of the commission granting or denying a petition shall be mailed to each city having extraterritorial jurisdiction in the county or counties in which the district is to be located that has requested notice of hearings as provided by Section 54.019.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 1070, Sec. 39, eff. Sept. 1, 1997.

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

Sec. 59.021. DIRECTORS. (a) The commission shall appoint temporary directors who shall serve until permanent directors are elected.

(b) A petition requesting creation filed in accordance with Section 59.006 may provide that directors be elected by precinct as provided by Subsection (h).

(c) The board of directors is composed of five members unless the petition requesting creation of the district requests and the commission approves a board that consists of seven members.

(d) Permanent directors shall be elected in accordance with Chapter 49.

(e) If the petition for creation has requested the election of seven directors as provided by Subsection (c), unless otherwise agreed, the three directors elected who received the fewest number of votes, whether their election is by precinct or at large, shall serve until the next directors election following the confirmation election and the four who received the highest number of votes shall serve until the second directors election after the confirmation election.

(f) After the creation of the district, the persons or entities that petitioned for creation or 50 qualified voters of the district may file a petition with the commission requesting to expand the district's board to seven members. If the commission grants the petition, the commission shall appoint two temporary directors. One temporary director shall serve until the next directors election and one shall serve until the next succeeding directors election. At each election one director shall be elected to serve for a four-year term.

(g) If the board of directors of the district is expanded to seven members, four directors shall constitute a quorum and a concurrence of four directors is necessary in all matters pertaining to the business of the district.

(h) A petition for the creation of a district may request that the board be elected to represent a geographic area. If the petition requesting creation of the district is granted, the

commission shall establish precincts from which the directors are to be elected. In establishing the precincts the commission shall attempt to have directors represent geographic areas with equal numbers of people and shall comply with the federal Voting Rights Act of 1965 (42 U.S.C. Sections 1971, 1973 et seq.). Thereafter, the board of directors of the district shall revise the precincts from time to time to cause them to comply with the provisions of this subsection.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.022. ABILITY TO SET RATES. The district may charge rates to persons and entities located outside the district's boundaries on terms, rates, and charges the board of directors may determine to be advisable. In setting rates for out-of-district customers, the board shall set rates sufficient to enable it to meet operation and maintenance expenses and to pay the principal of and interest on debt issued in connection with providing service and to provide a reasonable reserve for replacements to the district. In setting rates, the district may take into consideration past operation and debt service expenses.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.023. ISSUANCE OF BONDS. The district may issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending any district works, improvements, facilities, plants, equipment, and appliances needed to accomplish the purposes of the district, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, solid waste disposal system, and parks and recreational facilities. Prior to issuing bonds or other obligations, a confirmation election must be held in accordance with Chapter 49, and a majority of voters must approve the establishment of the district.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.024. EXCLUSION OF CERTAIN MUNICIPAL DISTRICTS. (a)

A municipal district may be excluded from the district as provided by this section.

(b) To be excluded, the board of directors of the municipal district may adopt a resolution requesting exclusion by a majority vote of its board of directors and shall file the petition with the directors of the proposed district before the first confirmation election.

(c) At the time of the district's confirmation election, a separate voting precinct shall be used for the qualified voters in each municipal district that has filed a petition requesting exclusion. The votes in each precinct shall be tallied separately to determine whether that municipal district will be excluded from the district boundaries.

(d) If a majority of the votes cast in a municipal district requesting exclusion vote against confirmation of the district, the votes cast in the confirmation election shall not be counted for the confirmation election, bond election, or maintenance tax election, and that municipal district must be excluded from the boundaries of the district by the board of directors of the district at the time the results of the election are canvassed.

(e) After a confirmation election at which the district is authorized to be created, the board of directors of the district shall adopt an order redefining the boundaries of the district to exclude those municipal districts petitioning for exclusion that have voted not to confirm creation of the district.

(f) Before the creation hearing, any municipal district located within the proposed district may petition the commission for a separate voting precinct to be used within the boundaries of the petitioning district at the time of the district's confirmation election. If the commission grants the petition requesting a separate voting precinct, Subsections (c) through (e) apply.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.025. CONFIRMATION ELECTION. (a) Before a district may be created pursuant to a petition granted by the commission, a confirmation election must be held within the boundaries of the proposed district.

(b) The directors appointed by the commission shall call and hold the confirmation election in the manner provided for conducting elections under Chapter 49. The provisions of those sections relating to a directors election do not apply to an election held under this section.

(c) If the creation of the district is defeated, subsequent confirmation elections may not be held to confirm the creation of the district.

(d) A bond election, maintenance tax election, and any other election may be held at the same time and in conjunction with a confirmation election.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

#### SUBCHAPTER C. ADDING OR EXCLUDING TERRITORY; DISSOLUTION

Sec. 59.051. ADDING LAND BY PETITION OF LESS THAN ALL LANDOWNERS. In addition to the method of adding land to a district described in Section 59.052, defined areas of land, regardless of whether they are contiguous to the district, may be annexed to the district in the manner provided in Chapter 49.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.052. FILING OF PETITION. A petition requesting the annexation of a defined area that is signed by a majority in value of the owners of land in the defined area, as shown by the tax rolls of the county or counties in which that area is located, that is signed by 50 landowners if the number of landowners is more than 50, that is signed by the single landowner of 2,000 or more acres of land in the area, or that is signed by a majority of the governing body of a municipal district, a county, or a city requesting annexation shall be filed with the secretary of the board.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.053. DISSOLUTION OF DISTRICT BEFORE ISSUANCE OF BONDS. (a) If the board considers it advisable before the issuance of any bonds, the board may dissolve the district and liquidate the affairs of the district as provided by Sections 54.734 through

54.738.

(b) If a majority of the board finds at any time before the authorization of bonds that the proposed district and its proposed activities are for any reason impracticable or apparently cannot be successfully and beneficially accomplished, the board may issue notice of a hearing on a proposal to dissolve the district.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.054. JUDICIAL REVIEW OF BOARD'S ORDER. The board's order to dissolve the district may be judicially reviewed as provided in Chapter 49.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

#### SUBCHAPTER D. MISCELLANEOUS

Sec. 59.071. ANNEXATION OR INCORPORATION BY CITY. (a) If a city annexes all or any part of the territory within a district, or incorporates all or any part of any territory within a district, the city shall succeed to the powers, duties, assets, and obligations of the district as provided by this chapter.

(b) On annexation of any part of the territory of a district by a city or incorporation by a city of any part of the territory of a district, the city shall assume a pro rata share of all debt of the district payable in whole or in part by ad valorem taxes incurred for water, sewer, or drainage purposes or any combination of the three purposes. The percentage of the assumption shall be determined by multiplying the total debt of the district payable in whole or in part from taxes incurred for the stated purposes by a fraction, the numerator of which is the assessed value of the property to be annexed or incorporated based on the most recent certified county property tax rolls at the time of annexation or incorporation and the denominator of which is the total assessed value of the property of the district based on the most recent certified county property tax rolls at the time of annexation or incorporation.

(c) After annexation by a city of a portion of the territory of a district or incorporation over any part of the territory of a

district, the district may not levy taxes on that territory, and the territory is no longer considered a part of the district for any purpose.

(d) If any district's debt payable in whole or in part from ad valorem taxes is assumed by a city, the governing body of the city shall levy and cause to be collected taxes on all taxable property within the city or provide other funds sufficient to pay the city's pro rata share of the principal of and interest on that debt as it becomes due and payable.

(e) If a city annexes or incorporates the entire territory of the district, the district shall be dissolved in accordance with Sections 43.074, 43.075, and 43.081, Local Government Code, if the district is located in one city or Sections 43.076 through 43.079, Local Government Code, if the district is located in more than one city.

(f) Section 43.071, Local Government Code, does not apply to the annexation of a district created pursuant to this chapter.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.

Sec. 59.072. OTHER LAWS. (a) This chapter prevails over any other law in conflict with or inconsistent with this chapter.

(b) Except as specifically provided by this chapter, Chapter 49 and Sections 54.018, 54.019(a), (b), (c), and (d), 54.020, 54.021, 54.023, 54.024, 54.201, 54.205, 54.207, 54.208, 54.502 through 54.505, 54.507(b) and (c), 54.510 through 54.512, 54.514, 54.515, 54.518, 54.520, 54.521, 54.601 through 54.604, and 54.735 through 54.737 apply under this chapter.

(c) Section 54.019(e) does not apply to a district governed by this chapter.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 3, eff. Sept. 1, 1995.