

1 AN ACT

2 relating to the powers of the CLL Municipal Utility District No. 1;
3 providing authority to levy an assessment, impose a tax, and issue
4 bonds.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter A, Chapter 8109, Special District
7 Local Laws Code, is amended by adding Sections 8109.0025 and
8 8109.0026 to read as follows:

9 Sec. 8109.0025. PURPOSE; DECLARATION OF INTENT. (a) The
10 district is essential to accomplish the purposes of Sections 52 and
11 52-a, Article III, and Section 59, Article XVI, Texas Constitution,
12 and other public purposes stated in this chapter. By creating the
13 district, the legislature has established a program to accomplish
14 the public purposes set out in Section 52-a, Article III, Texas
15 Constitution.

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

21 Sec. 8109.0026. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

23 (b) All land and other property included in the district
24 will benefit from the improvements and services to be provided by

1 the district under powers conferred by Sections 52 and 52-a,
2 Article III, and Section 59, Article XVI, Texas Constitution, and
3 other powers granted under this chapter.

4 (c) The creation of the district is in the public interest
5 and is essential to:

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

8 (2) eliminate unemployment and underemployment; and

9 (3) develop commerce.

10 (d) The district will:

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

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

17 (3) promote the health, safety, welfare, and enjoyment
18 of the public by providing trails, landscaping, and other services
19 that are necessary for the restoration, preservation, and
20 enhancement of the scenic beauty and environment of the area.

21 SECTION 2. Chapter 8109, Special District Local Laws Code,
22 is amended by adding Subchapters D, E, F, G, H, and I to read as
23 follows:

24 SUBCHAPTER D. POWERS AND DUTIES

25 Sec. 8109.151. MUNICIPAL MANAGEMENT DISTRICT POWERS. The
26 district has the powers provided by Chapter 375, Local Government
27 Code.

1 Sec. 8109.152. EXERCISE OF POWERS OF DEVELOPMENT
2 CORPORATION. The district may exercise the powers of a corporation
3 created under Section 380.001(c) or Chapter 501, Local Government
4 Code.

5 Sec. 8109.153. AIRPORT. The district may construct,
6 acquire, improve, maintain, and operate an airport and improvements
7 in aid of the airport.

8 Sec. 8109.154. AUTHORITY FOR ROAD PROJECTS. (a) Under
9 Section 52, Article III, Texas Constitution, the district may
10 design, acquire, construct, finance, issue bonds for, improve, and
11 convey to this state, a county, or a municipality for operation and
12 maintenance macadamized, graveled, or paved roads described by
13 Section 54.234, Water Code, or improvements, including storm
14 drainage, in aid of those roads.

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

19 Sec. 8109.155. APPROVAL OF ROAD PROJECT. (a) The district
20 may not undertake a road project authorized by Section 8109.154
21 unless:

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

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

1 (b) Except as provided by Subsection (a), the district is
2 not required to obtain approval from the Texas Transportation
3 Commission to design, acquire, construct, finance, issue bonds for,
4 improve, or convey a road project.

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

7 Sec. 8109.157. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
8 OR RESOLUTION. The district shall comply with all applicable
9 requirements of any ordinance or resolution that is adopted under
10 Section 54.016 or 54.0165, Water Code, and that consents to the
11 creation of the district or to the inclusion of land in the
12 district.

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

16 (b) The district may not exercise the power of eminent
17 domain outside the district to acquire a site or easement for:

18 (1) a road project authorized by Section 8109.154; or

19 (2) a recreational facility as defined by Section
20 49.462, Water Code.

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

23 SUBCHAPTER E. IMPROVEMENT PROJECTS

24 Sec. 8109.201. IMPROVEMENT PROJECTS; SERVICES. The
25 district may provide, or it may enter into contracts with a
26 governmental or private entity to provide, the improvement projects
27 and services described by this subchapter or activities in support

1 of or incidental to those projects and services.

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

6 Sec. 8109.203. WATER. An improvement project may include

7 a:

8 (1) wastewater treatment and disposal facility;

9 (2) water quality protection facility; and

10 (3) facility to enhance groundwater recharge.

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

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

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

20 (1) a conference, convention, or exhibition;

21 (2) a manufacturer, consumer, or trade show;

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

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

25 Sec. 8109.207. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
26 MAINTENANCE. In addition to the projects and services described by
27 Section 375.112, Local Government Code, an improvement project may

1 include the planning, design, construction, improvement, and
2 maintenance of:

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

5 (2) a hiking and cycling path or trail;

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

8 (4) a storm water detention improvement.

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

12 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

13 Sec. 8109.251. ASSESSMENTS. The district may levy and
14 collect special assessments in the same manner and for the same
15 purposes as a municipal management district as provided in
16 Subchapter F, Chapter 375, Local Government Code.

17 SUBCHAPTER G. BONDS AND OTHER OBLIGATIONS

18 Sec. 8109.301. AUTHORITY TO ISSUE BONDS AND OTHER
19 OBLIGATIONS. The district may issue bonds or other obligations
20 payable wholly or partly from ad valorem taxes, impact fees,
21 revenue, contract payments, grants, hotel occupancy taxes, sales
22 and use taxes, other district money, or any combination of those
23 sources to pay for any authorized district purpose.

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

1 bonds payable from ad valorem taxes.

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

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

8 Sec. 8109.303. TAXES FOR BONDS. (a) At the time the
9 district issues bonds payable wholly or partly from ad valorem
10 taxes, the board shall provide for the annual imposition of an ad
11 valorem tax, without limit as to rate or amount, as required by
12 Section 54.601, Water Code.

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

16 Sec. 8109.304. BONDS FOR ROAD PROJECTS. At the time of
17 issuance, the total principal amount of bonds or other obligations
18 issued or incurred to finance road projects and payable from ad
19 valorem taxes may not exceed one-fourth of the assessed value of the
20 real property in the district.

21 SUBCHAPTER H. SALES AND USE TAX

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

27 (b) A reference in Chapter 321, Tax Code, to a municipality

1 or the governing body of a municipality is a reference to the
2 district or the board, respectively.

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

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

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

15 Sec. 8109.353. SALES AND USE TAX RATE. (a) Not later than
16 the 10th day after the date the results are declared of an election
17 held under Section 8109.352, at which the voters approved
18 imposition of the tax authorized by this subchapter, the board
19 shall determine the initial rate of the tax, which must be in one or
20 more increments of one-eighth of one percent.

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

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

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

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

8 (d) The board shall notify the comptroller of any changes
9 made to the tax rate in the same manner the municipal secretary
10 provides notice to the comptroller under Section 321.405(b), Tax
11 Code.

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

15 SUBCHAPTER I. HOTEL OCCUPANCY TAX

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

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

20 (2) a reference in Subchapter A, Chapter 351, Tax
21 Code, to the governing body of a municipality is a reference to the
22 board.

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

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

4 Sec. 8109.403. TAX RATE. (a) The amount of the hotel
5 occupancy tax may not exceed the maximum rate provided by Section
6 351.003(a), Tax Code.

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

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

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

21 SECTION 3. (a) The legislature validates and confirms all
22 governmental acts and proceedings of the CLL Municipal Utility
23 District No. 1 relating to the exclusion of land, the annexation of
24 land, and the establishment of the district's boundaries that were
25 taken before the effective date of this Act.

26 (b) This section does not apply to:

27 (1) an act or proceeding that was void at the time it

1 occurred;

2 (2) an act that was a misdemeanor or felony at the time
3 it occurred;

4 (3) an annexation or attempted annexation of land in
5 the boundaries or extraterritorial jurisdiction of a municipality
6 that occurred without the consent of the municipality; and

7 (4) any matter that on the effective date of this Act:

8 (A) is involved in litigation if the litigation
9 ultimately results in the matter being held invalid by a final court
10 judgment; or

11 (B) has been held invalid by a final court
12 judgment.

13 SECTION 4. (a) The legal notice of the intention to
14 introduce this Act, setting forth the general substance of this
15 Act, has been published as provided by law, and the notice and a
16 copy of this Act have been furnished to all persons, agencies,
17 officials, or entities to which they are required to be furnished
18 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
19 Government Code.

20 (b) The governor has submitted the notice and Act to the
21 Texas Commission on Environmental Quality.

22 (c) The Texas Commission on Environmental Quality has filed
23 its recommendations relating to this Act with the governor,
24 lieutenant governor, and speaker of the house of representatives
25 within the required time.

26 (d) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with respect

1 to the notice, introduction, and passage of this Act are fulfilled
2 and accomplished.

3 SECTION 5. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2011.

David Dewhurst
President of the Senate

Joe Straus
Speaker of the House

I certify that H.B. No. 3845 was passed by the House on May 13, 2011, by the following vote: Yeas 139, Nays 5, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3845 on May 27, 2011, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 3845 was passed by the Senate, with amendments, on May 25, 2011, by the following vote: Yeas 31, Nays 0.

Daisy Spaw
Secretary of the Senate

APPROVED: 17 JUN '11

Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

4pm O'CLOCK

JUN 17 2011

Daisy Spaw
Secretary of State