

- SUBJECT:** Creating the Lajitas Utility District No. 1
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 7 ayes — Ritter, Corte, Creighton, T. King, Laubenberg, Lucio, D. Miller
0 nays
4 absent — Callegari, Frost, Martinez Fischer, Smithee
- WITNESSES:** For — Timothy G. Green, Edwin Leslie, Lajitas Capital Partners, L.L.C.
Against — None
- BACKGROUND:** A utility district is a political subdivision of the state authorized to provide water, wastewater, roads, electricity, recreation, and other services to a specific region. A utility district may purchase or construct and operate facilities that serve the region, and issue bonds to finance the purchase or construction of such facilities.
- DIGEST:** HB 4744 would create the Lajitas Utility District #1 of Brewster County to serve the boundaries of the Lajitas Resort Town. The utility would be governed by a five-member board of directors and would have the following powers:
- complete road projects;
 - use eminent domain;
 - provide electricity;
 - construct and operate airports;
 - act as a development corporation;
 - impose sales taxes;
 - levy assessments;
 - issue bonds; and
 - impose ad valorem taxes to support bonds payable from such taxes.

The Lajitas Utility District #1 would be created to serve public interests essential to:

- developing and diversifying the economy of the state;
- addressing unemployment;
- developing and expanding transportation and commerce;
- promoting health, safety, and general welfare;
- providing funding to support the economic health and of the district;
- providing pedestrian ways and enhancing scenic beauty of the district.

The bill would require the utility district to conduct elections before imposing ad valorem taxes or issuing bonds secured by revenue from ad valorem taxes. The district would have to obtain a two-thirds majority vote of district voters in order to issue bonds for road projects paid for with ad valorem taxes. A simple majority vote would be required to impose operation and maintenance taxes on taxable property in the district. The bill also would authorize the district to impose hotel occupancy taxes.

The bill would authorize the district to impose sales taxes following a simple majority vote of voters in the district. Sales taxes could not exceed two percent. Revenue bonds for road projects could not exceed one-fourth of the value of property in the district.

The bill would allow the utility district to divide into two or more districts provided it did not have any outstanding debt and had not imposed any ad valorem taxes.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.