

Resolution Spotlight

The Resolutions adopted by the County Judges and Commissioners Association of Texas (CJCAT) originate among members of Commissioners Courts and serve as the CJCAT Legislative Platform. Resolution Spotlights are designed to explain the history behind the Association Resolutions.

Municipal Utility Districts County Judge or Commissioner → Association → Legislature

A municipal utility district (MUD) is a state governmental entity that provides utility services to designated areas. A MUD may be created by the Texas Legislature or by the Texas Commission on Environmental Quality (TCEQ) following a petition and consent process described in the Texas Water Code.

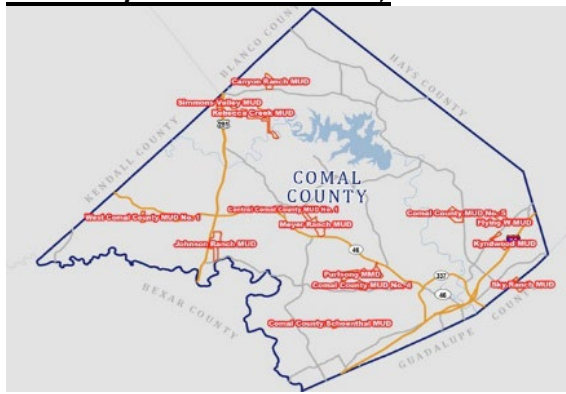
MUDs are usually created to provide water and wastewater services and maintain drainage facilities. Chapter 54 of the Texas Water Code explains the specific purposes of a MUD, <https://bit.ly/watercodeMUD>.

These districts are often initiated by housing developers to build infrastructure to attract residents to developments. Developers are subject to the zoning and ordinance-making authorities in cities, which must consent to a MUD; counties have very limited authority and cannot prevent the creation of a MUD.

MUDs are managed by a board, which is elected by a property owner or property owners within the MUD. One vote is all it takes to create a district, establish a board of directors with borrowing authority, and obligate future residents to a tax burden. A MUD may issue bonds to reimburse a developer for authorized improvements.

MUDs may not always provide for infrastructure needs beyond utilities. Residents may be left without expected services, including emergency medical and law enforcement, and with an unexpected tax burden. Another related complication may be overcrowded classrooms.

Local Impact: Comal County



Comal County is currently home to 14 MUDs, confirmed County Commissioner Jen Crownover, who has both short-term and long-term concerns regarding local impact.

“Short term, the impact we’re seeing is clear-cutting of entire hills in our county, and sometimes even leveling these hills so developers can carelessly pack as many homes on a parcel as possible,” Crownover reported. “This displaces wildlife, changes drainage and recharge,

creates a crazy amount of dust, changes noise patterns because the vegetation is scalped, and absolutely infuriates our residents.”

The major long-term concern is overdevelopment at the cost of already-scarce resources, especially water, she continued.

“Creating MUDS allows a developer to build wastewater treatment plants, which gets around our 1-acre minimum requirement for household septic systems,” Crownover underscored. “This high-density development packs in more people to a small area where the roads and schools are already at capacity, and that burden will fall on the current taxpayers (eventually).”

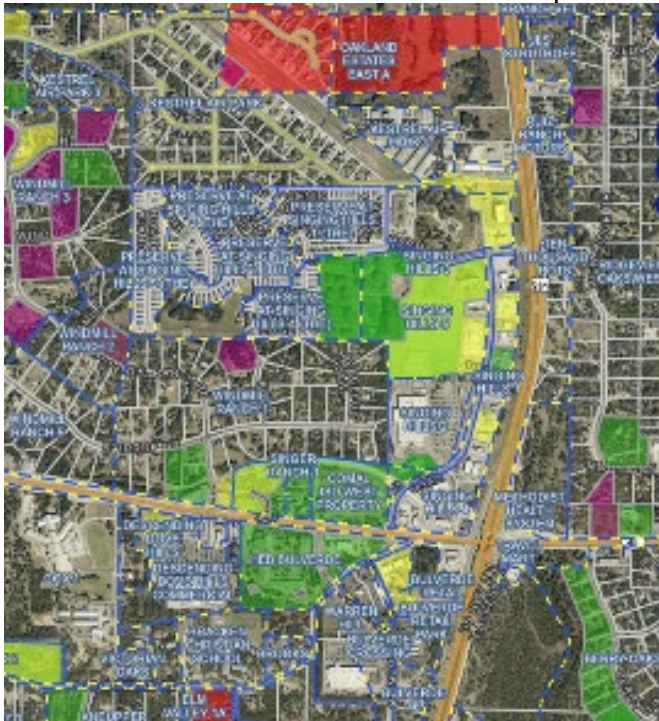
Another long-term effect is the MUD taxes that residents will end up paying, Crownover specified. MUDS are not subject to the same budgetary discipline and scrutiny as counties, school districts, emergency services districts (ESDs), etc., including the 3.5 percent revenue cap.

“Not all homebuyers are wise to that when they buy into those neighborhoods,” Crownover elaborated. “When those MUD rates go up, it has a huge impact on these homeowners.”

Crownover described the one-vote establishment of a MUD as “a scam and an insult to elections.” When an *ineligible* voter cast the one vote in a proposed local MUD in Comal County, the developer simply moved a different voter into the district and filed for another election.

MUDS are appropriate in certain circumstances where the developments are compatible with what is around them and they offer some public benefit for the infrastructure that they are able to finance, Crownover observed.

For example, the MUD pictured below, Singing Hills, brought in some major infrastructure to an otherwise underserved area that backs up to the city of Bulverde.



“The wastewater treatment actually opens up the door for other development in this area for things such as restaurants and medical services, which would otherwise be nearly impossible if they could not tap into those resources and had to rely on their own septic, etc.,” Crownover explained.

WHEREAS, municipal utility districts and special utility districts have been improperly used by certain developers to avoid compliance with county and city infrastructure plans;

NOW, THEREFORE, BE IT RESOLVED that the County Judges and Commissioners Association of Texas opposes the granting of additional powers to municipal utility districts, special utility districts, and any special districts, and requests that the approval of the county be required before any further districts are created.