

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 7913. HIGHWAY 71 MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7913.001. 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 Highway 71 Municipal Utility District.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. [4160](#)), Sec. 1, eff. June 18, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 669 (S.B. [2280](#)), Sec. 2, eff. June 12, 2017.

Sec. 7913.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. [4160](#)), Sec. 1, eff. June 18, 2015.

Sec. 7913.003. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. [4160](#)), Sec. 1, eff. June 18, 2015.

Sec. 7913.004. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.005. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7913.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7913.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, 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 temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7913.003; 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 7913.003 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 7913.003; 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7913.101. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.102. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, and Section 53.029(c), Water Code, 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.104. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.105. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1,

eff. June 18, 2015.

Sec. 7913.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any 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 creating this chapter.

(d) 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.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section [7913.003](#) to confirm the district's creation.

(f) An order dividing the district shall:

- (1) name each new district;
- (2) include the metes and bounds of each new district;
- (3) appoint temporary directors for each new district or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and
- (4) provide for the division of assets and liabilities between or among the new districts.

(g) 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 Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district

shall hold a confirmation and directors' election as required by Section 7913.003. A new district that is not confirmed is subject to dissolution under general law.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7913.151. 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 7913.153.

(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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7913.151, 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.153. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER E. ASSESSMENTS; APPLICABILITY OF IMPACT FEES AND ASSESSMENTS

Sec. 7913.201. PETITION REQUIRED FOR FINANCING RECREATIONAL FACILITIES AND IMPROVEMENTS WITH ASSESSMENTS. (a) Except as provided by this subchapter, the board may finance a recreational facility or improvement with assessments on property under this subchapter, but only if:

(1) a written petition requesting that facility or improvement has been filed with the board; and

(2) the board holds a hearing on the proposed assessments.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.202. METHOD OF NOTICE FOR HEARING. The district shall mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. The district may mail the notice by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(c) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 7913.251. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.252. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.253. 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 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

SUBCHAPTER G. DEFINED AREAS

Sec. 7913.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate

certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.302. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.303. DECLARING RESULT AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. 4160), Sec. 1, eff. June 18, 2015.

Sec. 7913.304. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 7913.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. [4160](#)), Sec. 1, eff. June 18, 2015.

Sec. 7913.305. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section [7913.303](#) is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2015, 84th Leg., R.S., Ch. 881 (H.B. [4160](#)), Sec. 1, eff. June 18, 2015.