

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 6. WATER AND WASTEWATER  
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS  
CHAPTER 7958. ROSE CITY MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7958.0101. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Tyler.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Director" means a board member.
- (5) "District" means the Rose City Municipal Utility District.
- (6) "Utility commission" means the Public Utility Commission of Texas.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0103. CONFIRMATION ELECTION REQUIRED. The initial directors appointed under Section [7958.0201](#) shall hold an election to confirm the creation of the district as provided by Section [49.102](#), Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section [7958.0103](#) until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has

consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0105. 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 a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0106. 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; or

(3) legality or operation.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7958.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors appointed as follows:

(1) three directors appointed by the city; and

(2) two directors appointed by the Smith County Commissioners Court.

(b) Directors serve staggered four-year terms.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1,

eff. September 1, 2019.

Sec. 7958.0202. QUALIFICATIONS OF DIRECTORS.

(a) Notwithstanding any other law:

(1) an officer or employee of the city may serve as a director of the district; and

(2) a member of the governing body of the city may serve as a director of the district.

(b) A person who qualifies to serve as a director is qualified to participate in all votes pertaining to the business of the district, subject to Section 49.058, Water Code.

(c) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0203. COMPENSATION; REIMBURSEMENT. A director serves without compensation but may receive reimbursement for actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7958.0301. 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 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) Subject to Subsection (b), 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.

(b) The district may provide only sewer and wastewater services, including the acquisition, construction, contracting, financing, maintenance, operation, and planning of sewer and wastewater facilities or systems.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0303. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0304. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 4(b), eff. September 1, 2019.

Sec. 7958.0305. CONTRACTING. The district may contract with a political subdivision or private operator to operate and maintain the district's sewer and wastewater facilities.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0306. CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY. (a) Notwithstanding Chapter 13, Water Code, the district may provide sewer and wastewater service without a certificate of convenience and necessity.

(b) Not later than the 30th day before the date the district intends to provide sewer and wastewater service, the district must notify the utility commission and each retail public utility that provides sewer and wastewater services in the district.

(c) If the district does not acquire a retail public utility that holds a certificate of public convenience and necessity for

providing sewer and wastewater service in the district territory, the district shall:

(1) not later than the 30th day after the date the district begins providing sewer and wastewater service, petition the utility commission to decertify the territory inside the district of the existing certificate holder; and

(2) compensate the existing certificate holder in an amount determined by the utility commission.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0307. PROFESSIONAL SERVICES. The district may contract with a political subdivision to provide professional services for the district, including legal services related to the exercise of eminent domain.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0308. SUPERMAJORITY VOTE REQUIRED FOR CERTAIN ACTIONS. At least four board members must vote in favor of a resolution before the board may:

(1) increase rates or assessments by more than five percent;

(2) incur debt or increase the amount of debt that the district has outstanding; or

(3) order a dissolution election under Section [7958.0601](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7958.0401. ELECTIONS REGARDING BONDS. The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0402. PROHIBITION ON IMPOSITION OF TAXES. (a) The district may not impose an ad valorem tax for any purpose.

(b) Section [49.107](#), Water Code, does not apply to the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

#### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7958.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from 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 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

#### SUBCHAPTER F. DISSOLUTION BY ELECTION

Sec. 7958.0601. DISSOLUTION ELECTION CALLED BY BOARD. The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state, if the board concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0602. DISSOLUTION ELECTION CALLED BY PETITION. The board shall order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board receives a petition requesting an election on that question. The petition must be signed by at least 15 percent of the district's registered voters.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0603. ELECTION ORDER. An order calling an election held under this subchapter must state:

- (1) the nature of the election, including the proposition that is to appear on the ballot;
- (2) the date of the election;
- (3) the hours during which the polls will be open; and
- (4) the location of the polling places.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0604. NOTICE OF DISSOLUTION ELECTION. (a) The board shall give notice of an election ordered under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0605. APPLICABILITY OF UNIFORM ELECTION DATES. Section [41.001](#), Election Code, does not apply to an election held under this subchapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. [4749](#)), Sec. 1, eff. September 1, 2019.

Sec. 7958.0606. ELECTION RESULTS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election held under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election held on the question of dissolving the

district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0607. TRANSFER OF ASSETS, OBLIGATIONS, AND PROVISION OF SERVICES. (a) As soon as practicable following the issuance of an order under Section 7958.0606(a), the board shall:

(1) begin the process of transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner; and

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the district provides services, the board or a receiver appointed under Section 7958.0608 shall make arrangements for the uninterrupted provision of services.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0608. RECEIVER. If the executive director of the commission determines that the board has failed to make substantial progress in transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner, the executive director shall appoint a receiver for the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0609. REPORT; DISSOLUTION ORDER. (a) After the district has transferred all of the district's assets and obligations and has arranged for the continued provision of services provided by the district, if applicable, the board shall file a written report with the commission summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commission receives the report and determines that the requirements of this subchapter have been fulfilled, the commission shall enter an order dissolving the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

#### SUBCHAPTER G. ANNEXATION OF LAND

Sec. 7958.0701. GENERAL ANNEXATION PROVISIONS. (a) Except as provided by this section, Subchapter J, Chapter 49, Water Code, applies to the district.

(b) In addition to the requirements of Section 49.302(b), Water Code, the petition must also be signed by a majority of registered voters in the defined area to be annexed.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.

Sec. 7958.0702. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED. (a) The disapproval of the proposed annexation of an area by the district does not affect any existing legal obligation of the district to continue to provide services in the area, including wastewater services.

(b) The district may not initiate a rate proceeding solely because of the disapproval of a proposed annexation of an area.

Added by Acts 2019, 86th Leg., R.S., Ch. 1370 (H.B. 4749), Sec. 1, eff. September 1, 2019.