

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

For contingent expiration of this chapter, see Section 7987.004.

CHAPTER 7987. NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7987.001. 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 New Fairview Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.003. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 7987.003, undertake an improvement project, impose taxes or fees, or issue bonds or otherwise borrow money until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement under Section [212.172](#), Local Government Code, with an owner or owners of a majority of the land described by Section 2 of the Act enacting this chapter.

(b) If a development agreement described by Subsection (a)(2) has not been executed before March 1, 2019:

(1) the temporary directors may not call a confirmation election under Section [7987.003](#);

(2) the district is dissolved; and

(3) this chapter expires March 1, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.005. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.006. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.007. CITY CONSENT TO CREATION OF DISTRICT. The city's consent to the creation of the district is not subject to the limitations on the conditions or other restrictions the city may place on its consent under Section 42.042, Local Government Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7987.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7987.052, directors serve staggered four-year terms.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, 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 7987.003; or

(2) September 1, 2021.

(c) If permanent directors have not been elected under Section 7987.003 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 7987.003; 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 7987.101. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.102. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, 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 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.104. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.105. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.106. CITY REQUIREMENTS. An improvement project in the district must comply with applicable requirements of the city, including codes and ordinances, unless a requirement is specifically waived or superseded by a development agreement entered into under Section [7987.107](#) or another agreement with the city applicable to property located in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.

Sec. 7987.107. DEVELOPMENT AND OPERATING AGREEMENT REQUIRED. After the district's board is organized, but before the district may undertake any improvement project, impose taxes or fees, or issue bonds or otherwise borrow money, the district must become a party to and assume all applicable obligations, requirements, and limitations in the development agreement entered into between the city and the owner or owners of a majority of land in the district, including any limitation imposed by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7987.151. 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 7987.153.

(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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7987.151, 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1,

eff. September 1, 2017.

Sec. 7987.153. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

#### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7987.201. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.202. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. 2912), Sec. 1, eff. September 1, 2017.

Sec. 7987.203. 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 2017, 85th Leg., R.S., Ch. 797 (H.B. [2912](#)), Sec. 1, eff. September 1, 2017.