

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

For contingent expiration of this chapter, see Section 8013.004.

CHAPTER 8013. RIO DE VIDA MUNICIPAL UTILITY

DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8013.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Austin, Texas.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "County" means Travis County.
- (5) "Director" means a board member.
- (6) "District" means the Rio de Vida Municipal Utility District No. 1.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.002. 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. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect four permanent directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.004. CONSENT OF CITY REQUIRED. (a) The temporary directors may not hold an election under Section [8013.003](#) until the city has consented by ordinance or resolution to the

creation of the district and to the inclusion of land in the district.

(b) If the city does not consent to the creation of the district under this section before February 14, 2020:

(1) the district is dissolved February 14, 2020, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to the city or another local governmental entity to be used for a public purpose; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires February 14, 2020.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.005. 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;

(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; and

(3) Section [52-a](#), Article III, Texas Constitution.

(c) By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section [52-a](#), Article III, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by

Section 1.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 1.02 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. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.007. ELIGIBILITY FOR INCLUSION IN TAX ABATEMENT REINVESTMENT ZONE. All or any part of the area of the district is eligible to be included in a tax abatement reinvestment zone under Chapter [312](#), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8013.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) A director may not serve more than two full terms of four years.

(c) The board consists of:

- (1) four elected directors; and
- (2) one director appointed by the governing body of the city.

(d) A director appointed under Subsection (c)(2) is not required to reside in the district or to own real property in the district.

(e) The common law doctrine of incompatibility does not

disqualify an elected official or employee of the city from being appointed as a director by the governing body of the city under Subsection (c)(2). A director appointed to the board may continue to serve in a public office of or be employed by the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.052. QUALIFICATIONS. Except as provided by Section 8013.051(d), to qualify to serve on the board, a person must:

- (1) reside in the district; or
- (2) own real property in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.053. TEMPORARY DIRECTORS. (a) On or after the effective date of the article of the Act enacting this chapter, the 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) Unless the district is dissolved and this chapter expires as provided by Section 8013.004, temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8013.003; or
- (2) September 1, 2021.

(c) Section 8013.052 does not apply to a director appointed under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8013.101. 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.102. 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.103. 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 the city 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of the city.

(b) 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.105. COMPLIANCE WITH CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) 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, including affordable housing requirements established in the consent agreement.

(b) Any agreement between the district and the city related to the city's consent to the creation of the district is valid and enforceable.

(c) On the issuance of bonds, the district is considered to have acknowledged and consented to the exercise of the city's authority as to actions taken by the city under Section 54.016(g), Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.106. CONTRACT TO FURTHER REGIONAL COOPERATION. The district and city may contract on terms that the board and governing body of the city agree will further regional cooperation between the district and city.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.107. GRADING AND IMPROVEMENTS TO LAND IN THE DISTRICT. The district may construct, acquire, improve, maintain, finance, or operate a facility or improvement related to reclaiming or grading land in the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.108. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8013.151. DIVISION OF DISTRICT; PREREQUISITES. 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.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01,

eff. June 12, 2017.

Sec. 8013.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.153. LIMITATION ON AREA OF NEW DISTRICT. A 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 1.02 of the Act enacting this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.154. CONSENT OF CITY OR COUNTY. If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of the city, the district may not divide under this subchapter unless the city by resolution or ordinance first consents to the division of the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.155. DIVISION PROCEDURES. (a) 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.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section [8013.003](#) to confirm the district's creation.

(c) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district;

and

(4) provide for the division of assets and liabilities between the new districts.

(d) 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 commission and record the order in the real property records of each county in which the district is located.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a sales and use tax or an operation and maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8013.201. 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 8013.203.

(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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8013.201, 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.

(c) If required by an agreement between the district and city under Section 8013.106, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the city.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.203. 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8013.251. 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, sales and use taxes, 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. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.252. 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 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.253. 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 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER G. SALES AND USE TAX

Sec. 8013.301. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.
Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.302. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if:

- (1) the city consents to the adoption of the tax; and
- (2) the tax is authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) Subject to city consent under Subsection (a), the board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The district shall provide notice of the election and

shall hold the election in the manner prescribed by Section [8013.201](#).

(d) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the (insert name of district or name of new district created under Subchapter D) at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.303. SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section [8013.302](#), at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section [8013.302](#), the board may decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The rate of the tax may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section [8013.302](#);

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section [321.101\(f\)](#), Tax Code, at any location in the district; or

(3) the sales and use tax rate adopted by the City of Austin.

(d) The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section [321.405\(b\)](#), Tax Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.304. USE OF REVENUE. Revenue from the sales and

use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.305. ABOLITION OF TAX. (a) The board may abolish the tax imposed under this subchapter without an election.

(b) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section [321.405\(b\)](#), Tax Code.

(c) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section [8013.302](#) before the district may subsequently impose the tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

SUBCHAPTER H. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 8013.401. APPLICABILITY OF LAW ON WATER-RELATED SPECIAL DISTRICT THAT BECOMES PART OF NOT MORE THAN ONE MUNICIPALITY. Section [43.075](#), Local Government Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. [4345](#)), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.402. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section [43.0751](#), Local

Government Code.

(b) The strategic partnership agreement may provide for an original or renewed term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.

Sec. 8013.403. NOTICE OF FUTURE CITY ANNEXATION REQUIRED.

(a) Not later than the 30th day after the date the city consents to the creation of the district and to the inclusion of land in the district under Section 8013.004(a), the city shall file, in the real property records of the county, a notice to a purchaser of real property in the district that describes:

(1) the city's authority and intention to annex the district; and

(2) the anticipated date of the annexation.

(b) After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must provide a copy of the notice to a purchaser of the property before selling or conveying the property to the purchaser.

Added by Acts 2017, 85th Leg., R.S., Ch. 644 (H.B. 4345), Sec. 1.01, eff. June 12, 2017.