

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8238.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Gunter Municipal Utility District No. 1.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition,

improvement, maintenance, or operation of macadamized, graveled, or paved roads or improvements in aid of those roads.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. [4098](#)), Sec. 1, eff. June 15, 2007.

Sec. 8238.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating 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 or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. [4098](#)), Sec. 1, eff. June 15, 2007.

Sec. 8238.006. ANNEXATION BY CITY OF GUNTER. Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election under Section [8238.003](#), the district may not be dissolved and shall continue until the district is dissolved under Section [43.074](#), Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. [4098](#)), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8238.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section [8238.053](#), directors serve staggered four-year terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.053. INITIAL DIRECTORS. (a) The initial board consists of:

- (1) Erik Nelson;
- (2) David Kelly;
- (3) Jeff Sallas;
- (4) Howell Kemp; and
- (5) Jill Tate.

(b) Unless the initial board otherwise agrees, the initial directors shall draw lots to determine which two directors shall serve until the first regularly scheduled election of directors and which three directors shall serve until the second regularly scheduled election of directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.054. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 8238.003 until:

(1) all of the territory of the district is included in the corporate limits of the City of Gunter; and

(2) the City of Gunter has adopted a resolution consenting to the creation of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8238.101. MUNICIPAL UTILITY DISTRICT POWERS AND

DUTIES. (a) 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 has the powers and duties necessary to accomplish the purposes for which the district is created.

(c) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(d) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of public convenience and necessity.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the

governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.104. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.01, eff. September 1, 2011.

SUBCHAPTER C-1. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8238.131. 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 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.132. 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 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.133. 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 2, Chapter 966, Acts of the 80th Legislature, Regular Session, 2007.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.134. 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 [8238.003](#) 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 Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. [534](#)), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.135. CONFIRMATION ELECTION FOR NEW DISTRICT.

(a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section [8238.003](#).

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. [534](#)), Sec. 1.02, eff. September 1, 2011.

Sec. 8238.136. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section [8238.054](#) acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. [534](#)), Sec. 1.02,

eff. September 1, 2011.

Sec. 8238.137. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a 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 to obtain voter approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 706 (H.B. 534), Sec. 1.02, eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8238.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(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 operation and maintenance tax or issue bonds payable from ad valorem taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8238.151, 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 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8238.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees,

revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8238.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8238.102 may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.

Sec. 8238.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2007, 80th Leg., R.S., Ch. 966 (H.B. 4098), Sec. 1, eff. June 15, 2007.