

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

For contingent expiration of this chapter, see Section 8341.003.

CHAPTER 8341. HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8341.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Hunt County Municipal Utility District No. 1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. (a) 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.

(b) If the creation of the district is not confirmed at a confirmation election held under this section before September 1, 2015:

(1) the district is dissolved December 31, 2015, except that:

- (A) any debts incurred shall be paid;
- (B) any assets that remain after the payment of debts shall be transferred to Hunt County or the City of Greenville, as mutually determined by the governing bodies of Hunt County and the City of Greenville; 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 September 1, 2018.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8341.003 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.005. DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 8341.003 until a development agreement, as described by Section 212.172, Local Government Code, covering the land described by Section 2 of the Act creating this chapter, is executed by the owners of the land covered by the development agreement and by the City of Greenville.

(b) The district may not annex land until:

(1) the land proposed for annexation is covered by a development agreement executed by the owners of the land and the City of Greenville; or

(2) the governing bodies of the City of Greenville and Hunt County consent by ordinance or resolution to the annexation.

(c) Notwithstanding the requirement under Section 212.172(b), Local Government Code, that a development agreement apply only to land located in the extraterritorial jurisdiction of a municipality, a development agreement described by this section may cover land outside the extraterritorial jurisdiction of the City of Greenville.

(d) Section 212.172(d), Local Government Code, does not apply to a development agreement described by this section, and the term of the development agreement may be renewed or extended as mutually agreed to by the owners of the land covered by the

agreement and the City of Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.006. 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.

(c) The creation of the district is in the public interest and is essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution, and to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public; and

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.007. 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 a tax; or
- (4) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8341.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8341.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Jason Claunch;
- (2) Jon Smalling;
- (3) Spencer Taylor;
- (4) Derek Rogers; and
- (5) Rome Barnes.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8341.003; or

(2) September 1, 2015.

(c) If permanent directors have not been elected under Section 8341.003 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 8341.003; 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 Texas Commission on Environmental Quality 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8341.101. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.102. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.103. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity to which any land in the district is subject.

(b) The district may not provide retail water or wastewater services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may acquire, construct, improve, operate, and maintain macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must:

(1) meet all construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located that apply to the construction, improvement, maintenance, repair, or operation of the road project; and

(2) comply with the development agreement required by Section 8341.005.

(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) The district shall pay all costs associated with the maintenance or operation of a road project.

(d) 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.106. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. [315](#)), Sec. 1, eff. June 17, 2011.

Sec. 8341.107. ANNEXATION BY CITY OF GREENVILLE. The City of Greenville may annex a district created under this chapter on the earlier of:

(1) the date that water, sanitary sewer, drainage, and road improvements and roads have been constructed to serve 90 percent of the land in the district; or

(2) the 15th anniversary of the date of the election held to confirm the creation of the district or any new district created by the division of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. [315](#)), Sec. 1, eff. June 17, 2011.

Sec. 8341.108. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. [315](#)), Sec. 1, eff. June 17, 2011.

Sec. 8341.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section [8341.104](#); or

(2) a recreational facility as defined by Section [49.462](#), Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. [315](#)), Sec. 1, eff. June 17, 2011.

Sec. 8341.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;

(2) the district is not imposing ad valorem taxes; and

(3) the requirements of Subsection (i) are satisfied.

(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 [8341.003](#) to confirm the district's creation.

(f) An order dividing the district shall:

- (1) name each new district;
 - (2) include the metes and bounds 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 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 [8341.003](#).

(i) The district may not divide under this section unless a development agreement has been executed as provided by Section [8341.005](#).

(j) 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8341.151. 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 8341.153.

(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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8341.151, 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.153. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8341.201. 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, revenue from economic development agreements under Chapter 380, Local Government Code, other district money, or any combination of those sources, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.202. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.203. 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 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.204. LIMIT ON REFINANCING DEBT. The district may not refinance any debt incurred on behalf of the district more than one time without the prior written consent of the City of

Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. DISSOLUTION

Sec. 8341.251. DISSOLUTION FOLLOWING ANNEXATION BY CITY OF GREENVILLE. (a) On annexation of the district by the City of Greenville, the district is dissolved in accordance with the ordinance of the City of Greenville authorizing the annexation.

(b) Section 43.075(d), Local Government Code, applies to the City of Greenville on the date the municipality adopts an ordinance described by Subsection (a).

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.252. COLLECTION OF REVENUE OTHER THAN AD VALOREM TAXES. If at the time of dissolution the district has outstanding bonds or other obligations secured by and payable from revenue described by Section 8341.201 other than ad valorem taxes, the municipality succeeds to the rights and obligations of the district regarding enforcement and collection of the revenue and shall enforce and collect revenue as necessary to pay for:

(1) the bonds or other obligations issued by the district when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the City of Greenville to refund the outstanding bonds or obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. 315), Sec. 1, eff. June 17, 2011.

Sec. 8341.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The City of Greenville assumes the obligations of the district after dissolution, including any bonds or other indebtedness payable from revenue described by Section 8341.201.

(b) On dissolution of the district, ownership of all district property is transferred to Hunt County or the City of

Greenville as mutually determined by the governing bodies of Hunt County and the City of Greenville.

Added by Acts 2011, 82nd Leg., R.S., Ch. 469 (H.B. [315](#)), Sec. 1, eff. June 17, 2011.