

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

CHAPTER 8354. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 524

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8354.001. 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 Harris County Municipal Utility District No. 524.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.002. 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.003. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.004. CONSENT OF MUNICIPALITY REQUIRED. The

temporary directors may not hold an election under Section 8354.003 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.005. 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, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.006. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8354.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8354.052, directors serve staggered four-year terms.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, 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 8354.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8354.003 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 8354.003; 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8354.101. 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.102. 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and

maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8354.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.105. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1,

eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.106. 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 8354.103; or
- (2) a recreational facility as defined by Section

49.462, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8354.151. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.152. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.153. 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 2 of the Act enacting this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.154. 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 8354.003 to confirm the district's creation.

(c) An order dividing the district:

(1) must:

(A) name each new district;

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

(C) appoint temporary directors for each new district, or provide that temporary directors are appointed in the manner provided by Section 8354.052(a); and

(D) provide for the division of assets and liabilities between the new districts; and

(2) is subject to a confirmation election in each new district.

(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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.155. 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 8354.003.

(b) The results of that election must be filed as required by Sections 49.102(e) and (f), Water Code.

(c) If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new districts revert to the original district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.156. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8354.004 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.157. 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8354.201. 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 8354.203.

(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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8354.201, 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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.203. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8354.251. 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, contract payments, grants, or 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. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.252. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1, eff. June 17, 2011.

Sec. 8354.253. 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 2011, 82nd Leg., R.S., Ch. 715 (H.B. 709), Sec. 1, eff. June 17, 2011.

Added by Acts 2011, 82nd Leg., R.S., Ch. 895 (S.B. 475), Sec. 1,

eff. June 17, 2011.