

1-1 By: Metcalf (Senate Sponsor - Nichols) H.B. No. 4640  
 1-2 (In the Senate - Received from the House April 29, 2019;  
 1-3 April 29, 2019, read first time and referred to Committee on  
 1-4 Intergovernmental Relations; May 16, 2019, reported favorably by  
 1-5 the following vote: Yeas 7, Nays 0; May 16, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to the creation of the Montgomery County Municipal Utility  
 1-18 District No. 176 of Montgomery County; granting a limited power of  
 1-19 eminent domain; providing authority to issue bonds; providing  
 1-20 authority to impose assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-23 Code, is amended by adding Chapter 8084 to read as follows:

1-24 CHAPTER 8084. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO.  
 1-25 176 OF MONTGOMERY COUNTY

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 8084.0101. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "City" means the City of Willis, Texas.

1-30 (3) "Commission" means the Texas Commission on  
 1-31 Environmental Quality.

1-32 (4) "Director" means a board member.

1-33 (5) "District" means the Montgomery County Municipal  
 1-34 Utility District No. 176 of Montgomery County.

1-35 Sec. 8084.0102. NATURE OF DISTRICT. The district is a  
 1-36 municipal utility district created under Section 59, Article XVI,  
 1-37 Texas Constitution.

1-38 Sec. 8084.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-39 REQUIRED. The temporary directors shall hold an election to  
 1-40 confirm the creation of the district and to elect five permanent  
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 8084.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 8084.0103 until each municipality in whose corporate limits or  
 1-45 extraterritorial jurisdiction the district is located has  
 1-46 consented by ordinance or resolution to the creation of the  
 1-47 district and to the inclusion of land in the district.

1-48 Sec. 8084.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by  
 1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that  
 1-54 relate to the construction, acquisition, improvement, operation,  
 1-55 or maintenance of macadamized, graveled, or paved roads, or  
 1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 8084.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-58 district is initially composed of the territory described by  
 1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of  
 1-61 the Act enacting this chapter form a closure. A mistake made in the

2-1 field notes or in copying the field notes in the legislative process  
 2-2 does not affect the district's:

- 2-3 (1) organization, existence, or validity;
- 2-4 (2) right to issue any type of bond for the purposes  
 2-5 for which the district is created or to pay the principal of and  
 2-6 interest on a bond;
- 2-7 (3) right to impose a tax; or
- 2-8 (4) legality or operation.

2-9 Sec. 8084.0107. EFFECT OF ANNEXATION. Notwithstanding any  
 2-10 other law, if any of the territory of the district is annexed by the  
 2-11 city into the city's corporate limits, the district:

- 2-12 (1) retains all of the district's outstanding debt and  
 2-13 obligations; and
- 2-14 (2) is not dissolved.

2-15 SUBCHAPTER B. BOARD OF DIRECTORS

2-16 Sec. 8084.0201. GOVERNING BODY; TERMS. (a) The district is  
 2-17 governed by a board of five elected directors.

2-18 (b) Except as provided by Section 8084.0202, directors  
 2-19 serve staggered four-year terms.

2-20 Sec. 8084.0202. TEMPORARY DIRECTORS. (a) On or after  
 2-21 September 1, 2019, the owner or owners of a majority of the assessed  
 2-22 value of the real property in the district may submit a petition to  
 2-23 the commission requesting that the commission appoint as temporary  
 2-24 directors the five persons named in the petition. The commission  
 2-25 shall appoint as temporary directors the five persons named in the  
 2-26 petition.

2-27 (b) Temporary directors serve until the earlier of:  
 2-28 (1) the date permanent directors are elected under  
 2-29 Section 8084.0103; or  
 2-30 (2) September 1, 2023.

2-31 (c) If permanent directors have not been elected under  
 2-32 Section 8084.0103 and the terms of the temporary directors have  
 2-33 expired, successor temporary directors shall be appointed or  
 2-34 reappointed as provided by Subsection (d) to serve terms that  
 2-35 expire on the earlier of:

- 2-36 (1) the date permanent directors are elected under  
 2-37 Section 8084.0103; or
- 2-38 (2) the fourth anniversary of the date of the  
 2-39 appointment or reappointment.

2-40 (d) If Subsection (c) applies, the owner or owners of a  
 2-41 majority of the assessed value of the real property in the district  
 2-42 may submit a petition to the commission requesting that the  
 2-43 commission appoint as successor temporary directors the five  
 2-44 persons named in the petition. The commission shall appoint as  
 2-45 successor temporary directors the five persons named in the  
 2-46 petition.

2-47 SUBCHAPTER C. POWERS AND DUTIES

2-48 Sec. 8084.0301. GENERAL POWERS AND DUTIES. The district  
 2-49 has the powers and duties necessary to accomplish the purposes for  
 2-50 which the district is created.

2-51 Sec. 8084.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-52 DUTIES. The district has the powers and duties provided by the  
 2-53 general law of this state, including Chapters 49 and 54, Water Code,  
 2-54 applicable to municipal utility districts created under Section 59,  
 2-55 Article XVI, Texas Constitution.

2-56 Sec. 8084.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
 2-57 52, Article III, Texas Constitution, the district may design,  
 2-58 acquire, construct, finance, issue bonds for, improve, operate,  
 2-59 maintain, and convey to this state, a county, or a municipality for  
 2-60 operation and maintenance macadamized, graveled, or paved roads, or  
 2-61 improvements, including storm drainage, in aid of those roads.

2-62 Sec. 8084.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-63 road project must meet all applicable construction standards,  
 2-64 zoning and subdivision requirements, and regulations of each  
 2-65 municipality in whose corporate limits or extraterritorial  
 2-66 jurisdiction the road project is located.

2-67 (b) If a road project is not located in the corporate limits  
 2-68 or extraterritorial jurisdiction of a municipality, the road  
 2-69 project must meet all applicable construction standards,

3-1 subdivision requirements, and regulations of each county in which  
3-2 the road project is located.

3-3 (c) If the state will maintain and operate the road, the  
3-4 Texas Transportation Commission must approve the plans and  
3-5 specifications of the road project.

3-6 Sec. 8084.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
3-7 ORDINANCE OR RESOLUTION. The district shall comply with all  
3-8 applicable requirements of any ordinance or resolution that is  
3-9 adopted under Section 54.016 or 54.0165, Water Code, and that  
3-10 consents to the creation of the district or to the inclusion of land  
3-11 in the district.

3-12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-13 Sec. 8084.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
3-14 The district may issue, without an election, bonds and other  
3-15 obligations secured by:

3-16 (1) revenue other than ad valorem taxes; or

3-17 (2) contract payments described by Section 8084.0403.

3-18 (b) The district must hold an election in the manner  
3-19 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-20 before the district may impose an ad valorem tax or issue bonds  
3-21 payable from ad valorem taxes.

3-22 (c) The district may not issue bonds payable from ad valorem  
3-23 taxes to finance a road project unless the issuance is approved by a  
3-24 vote of a two-thirds majority of the district voters voting at an  
3-25 election held for that purpose.

3-26 Sec. 8084.0402. OPERATION AND MAINTENANCE TAX. (a) If  
3-27 authorized at an election held under Section 8084.0401, the  
3-28 district may impose an operation and maintenance tax on taxable  
3-29 property in the district in accordance with Section 49.107, Water  
3-30 Code.

3-31 (b) The board shall determine the tax rate. The rate may not  
3-32 exceed the rate approved at the election.

3-33 Sec. 8084.0403. CONTRACT TAXES. (a) In accordance with  
3-34 Section 49.108, Water Code, the district may impose a tax other than  
3-35 an operation and maintenance tax and use the revenue derived from  
3-36 the tax to make payments under a contract after the provisions of  
3-37 the contract have been approved by a majority of the district voters  
3-38 voting at an election held for that purpose.

3-39 (b) A contract approved by the district voters may contain a  
3-40 provision stating that the contract may be modified or amended by  
3-41 the board without further voter approval.

3-42 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-43 Sec. 8084.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
3-44 OBLIGATIONS. The district may issue bonds or other obligations  
3-45 payable wholly or partly from ad valorem taxes, impact fees,  
3-46 revenue, contract payments, grants, or other district money, or any  
3-47 combination of those sources, to pay for any authorized district  
3-48 purpose.

3-49 Sec. 8084.0502. TAXES FOR BONDS. At the time the district  
3-50 issues bonds payable wholly or partly from ad valorem taxes, the  
3-51 board shall provide for the annual imposition of a continuing  
3-52 direct ad valorem tax, without limit as to rate or amount, while all  
3-53 or part of the bonds are outstanding as required and in the manner  
3-54 provided by Sections 54.601 and 54.602, Water Code.

3-55 Sec. 8084.0503. BONDS FOR ROAD PROJECTS. At the time of  
3-56 issuance, the total principal amount of bonds or other obligations  
3-57 issued or incurred to finance road projects and payable from ad  
3-58 valorem taxes may not exceed one-fourth of the assessed value of the  
3-59 real property in the district.

3-60 SECTION 2. The Montgomery County Municipal Utility District  
3-61 No. 176 of Montgomery County initially includes all the territory  
3-62 contained in the following area:

3-63 MUD PARCEL NO. 1

3-64 Being 294.27 acres (12,818,448 square feet) tract of land situated  
3-65 in the G.W. Lonis Survey, Abstract 313 and F.K. Henderson Survey,  
3-66 Abstract 248 of Montgomery County, Texas, said 294.27 acre parcel  
3-67 more particularly described by metes and bounds as follows with all  
3-68 bearings based on Texas State Plane Coordinate System, Central  
3-69 Zone, North American Datum 1983;

4-1 BEGINNING at a point whose Northing is 10,150,276.69 and whose  
 4-2 Easting is 3,822,867.80;  
 4-3 THENCE South 18°01'05" East, a distance of 335.13 feet to a  
 4-4 calculated point;  
 4-5 THENCE North 71°46'15" East, a distance of 412.81 feet to a  
 4-6 calculated point;  
 4-7 THENCE North 17°53'50" West, a distance of 110.93 feet to a  
 4-8 calculated point;  
 4-9 THENCE North 70°26'59" East, a distance of 326.66 feet to a  
 4-10 calculated point;  
 4-11 THENCE South 18°28'09" East, a distance of 483.98 feet to a  
 4-12 calculated point;  
 4-13 THENCE North 71°32'00" East, a distance of 270.35 feet to a  
 4-14 calculated point;  
 4-15 THENCE North 71°33'06" East, a distance of 80.01 feet to a  
 4-16 calculated point;  
 4-17 THENCE North 18°31'42" West, a distance of 350.11 feet to a  
 4-18 calculated point;  
 4-19 THENCE North 71°34'38" East, a distance of 270.35 feet to a  
 4-20 calculated point;  
 4-21 THENCE South 18°27'32" East, a distance of 620.03 feet to a  
 4-22 calculated point;  
 4-23 THENCE South 71°36'03" West, a distance of 140.65 feet to a  
 4-24 calculated point;  
 4-25 THENCE South 18°06'06" East, a distance of 310.14 feet to a  
 4-26 calculated point;  
 4-27 THENCE North 71°17'17" East, a distance of 590.59 feet to a  
 4-28 calculated point;  
 4-29 THENCE South 18°35'47" East, a distance of 1905.31 feet to a  
 4-30 calculated point;  
 4-31 THENCE North 71°11'29" East, a distance of 650.94 feet to a  
 4-32 calculated point;  
 4-33 THENCE South 18°30'33" East, a distance of 642.81 feet to a  
 4-34 calculated point;  
 4-35 THENCE South 71°56'03" West, a distance of 340.71 feet to a  
 4-36 calculated point;  
 4-37 THENCE North 18°3'57" West, a distance of 140.00 feet to a  
 4-38 calculated point;  
 4-39 THENCE South 71°56'03" West, a distance of 150.00 feet to a  
 4-40 calculated point;  
 4-41 THENCE South 18°3'57" East, a distance of 140.00 feet to a  
 4-42 calculated point;  
 4-43 THENCE North 71°56'03" East, a distance of 490.71 feet to a  
 4-44 calculated point;  
 4-45 THENCE South 18°30'33" East, a distance of 849.33 feet to a  
 4-46 calculated point;  
 4-47 THENCE North 71°52'24" East, a distance of 82.85 feet to a  
 4-48 calculated point;  
 4-49 THENCE South 19°00'55" East, a distance of 207.61 feet to a  
 4-50 calculated point;  
 4-51 THENCE North 71°06'37" East, a distance of 648.85 feet to a  
 4-52 calculated point;  
 4-53 THENCE South 19°15'09" East, a distance of 288.24 feet to a  
 4-54 calculated point;  
 4-55 THENCE South 71°04'26" West, a distance of 1389.13 feet to a  
 4-56 calculated point;  
 4-57 THENCE South 18°28'21" East, a distance of 85.59 feet to a  
 4-58 calculated point;  
 4-59 THENCE along a curve to the RIGHT, having a radius of 2643.58 feet,  
 4-60 a delta angle of 38°02'19", and whose long chord bears N 89°31'30"  
 4-61 West, a distance of 1723.01 feet to a calculated point;  
 4-62 THENCE along a curve to the RIGHT, having a radius of 2765.61 feet,  
 4-63 a delta angle of 20°11'13", and whose long chord bears South  
 4-64 53°40'39" West, a distance of 969.34 feet to a calculated point;  
 4-65 THENCE North 18°30'13" West, a distance of 175.85 feet to a  
 4-66 calculated point;  
 4-67 THENCE North 17°19'50" West, a distance of 241.94 feet to a  
 4-68 calculated point;  
 4-69 THENCE North 18°13'44" West, a distance of 1100.46 feet to a

5-1 calculated point;  
 5-2 THENCE North 17°19'51" West, a distance of 1399.32 feet to a  
 5-3 calculated point;  
 5-4 THENCE North 01°08'03" East, a distance of 105.25 feet to a  
 5-5 calculated point;  
 5-6 THENCE North 17°16'50" West, a distance of 692.66 feet to a  
 5-7 calculated point;  
 5-8 THENCE North 15°17'28" West, a distance of 707.80 feet to a  
 5-9 calculated point;  
 5-10 THENCE North 01°56'38" West, a distance of 414.79 feet to a  
 5-11 calculated point;  
 5-12 THENCE North 17°21'02" West, a distance of 150.29 feet to a  
 5-13 calculated point;  
 5-14 THENCE North 28°16'51" East, a distance of 56.78 feet to a  
 5-15 calculated point;  
 5-16 THENCE North 71°42'33" East, a distance of 453.28 to the POINT OF  
 5-17 BEGINNING, containing 294.27 acres (12,818,448 square feet) of land  
 5-18 in Montgomery County, Texas.

5-19 MUD PARCEL NO. 2

5-20 Being 4.21 acres (183,407 square feet) tract of land situated in the  
 5-21 F.K. Henderson Survey, Abstract 248 of Montgomery County, Texas,  
 5-22 said 4.21 acre parcel more particularly described by metes and  
 5-23 bounds as follows with all bearings based on Texas State Plane  
 5-24 Coordinate System, Central Zone, North American Datum 1983;  
 5-25 BEGINNING at a point whose Northing is 10,146,094.75 and whose  
 5-26 Easting is 3,827,643.55;  
 5-27 THENCE South 17°29'19" East, a distance of 718.64 feet to a  
 5-28 calculated point;  
 5-29 THENCE along a curve to the right, having a radius of 2645.09 feet,  
 5-30 a delta angle of 18°19'36", and whose long chord bears North  
 5-31 50°23'19" West, a distance of 842.45 feet to a calculated point;  
 5-32 THENCE North 71°05'48" East, a distance of 457.74 feet to the POINT  
 5-33 OF BEGINNING, containing 4.21 acres (183,407 square feet) of land  
 5-34 in Montgomery County, Texas.

5-35 SECTION 3. (a) The legal notice of the intention to  
 5-36 introduce this Act, setting forth the general substance of this  
 5-37 Act, has been published as provided by law, and the notice and a  
 5-38 copy of this Act have been furnished to all persons, agencies,  
 5-39 officials, or entities to which they are required to be furnished  
 5-40 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 5-41 Government Code.

5-42 (b) The governor, one of the required recipients, has  
 5-43 submitted the notice and Act to the Texas Commission on  
 5-44 Environmental Quality.

5-45 (c) The Texas Commission on Environmental Quality has filed  
 5-46 its recommendations relating to this Act with the governor, the  
 5-47 lieutenant governor, and the speaker of the house of  
 5-48 representatives within the required time.

5-49 (d) All requirements of the constitution and laws of this  
 5-50 state and the rules and procedures of the legislature with respect  
 5-51 to the notice, introduction, and passage of this Act are fulfilled  
 5-52 and accomplished.

5-53 SECTION 4. (a) If this Act does not receive a two-thirds  
 5-54 vote of all the members elected to each house, Subchapter C, Chapter  
 5-55 8084, Special District Local Laws Code, as added by Section 1 of  
 5-56 this Act, is amended by adding Section 8084.0306 to read as follows:  
 5-57 Sec. 8084.0306. NO EMINENT DOMAIN POWER. The district may  
 5-58 not exercise the power of eminent domain.

5-59 (b) This section is not intended to be an expression of a  
 5-60 legislative interpretation of the requirements of Section 17(c),  
 5-61 Article I, Texas Constitution.

5-62 SECTION 5. This Act takes effect September 1, 2019.

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