

1-1 By: Metcalf (Senate Sponsor - Creighton) H.B. No. 4654  
 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 Administration; May 3, 2019, reported favorably by the following  
 1-5 vote: Yeas 4, Nays 0; May 3, 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 board of directors and powers and duties of the East  
 1-18 Montgomery County Municipal Utility District No. 12; providing  
 1-19 authority to issue bonds; providing authority to impose  
 1-20 assessments, fees, and taxes.

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

1-22 SECTION 1. Section 8116.002, Special District Local Laws  
 1-23 Code, is amended to read as follows:

1-24 Sec. 8116.002. NATURE AND PURPOSES OF DISTRICT. (a) The  
 1-25 district is ~~[a municipal utility district in Montgomery County]~~  
 1-26 ~~created to serve a public purpose and benefit [under and essential~~  
 1-27 ~~to accomplish the purposes of Section 59, Article XVI, Texas~~  
 1-28 ~~Constitution].~~

1-29 (b) The district is created to accomplish the purposes of:

1-30 (1) a municipal utility district as provided by  
 1-31 general law and Section 59, Article XVI, Texas Constitution; and

1-32 (2) Section 52, Article III, Texas Constitution, that  
 1-33 relate to the construction, acquisition, improvement, operation,  
 1-34 or maintenance of macadamized, graveled, or paved roads, or  
 1-35 improvements, including storm drainage, in aid of those roads.

1-36 SECTION 2. Section 8116.051(b), Special District Local Laws  
 1-37 Code, is amended to read as follows:

1-38 (b) Except as provided by Section 8116.053, directors  
 1-39 [Directors] serve staggered four-year terms.

1-40 SECTION 3. Subchapter B, Chapter 8116, Special District  
 1-41 Local Laws Code, is amended by adding Section 8116.053 to read as  
 1-42 follows:

1-43 Sec. 8116.053. TEMPORARY DIRECTORS. (a) The temporary  
 1-44 board consists of:

1-45 (1) Larry Williams;

1-46 (2) Rachel Maybray;

1-47 (3) Michael Others;

1-48 (4) Virginia French; and

1-49 (5) Valerie Mullan.

1-50 (b) Temporary directors serve until the earlier of:

1-51 (1) the date permanent directors are elected at an  
 1-52 election held under Section 49.102, Water Code; or

1-53 (2) the fourth anniversary of the effective date of  
 1-54 the Act enacting this section.

1-55 (c) If permanent directors have not been elected at an  
 1-56 election held under Section 49.102, Water Code, and the terms of the  
 1-57 temporary directors have expired, successor temporary directors  
 1-58 shall be appointed or reappointed as provided by Subsection (d) to  
 1-59 serve terms that expire on the earlier of:

1-60 (1) the date permanent directors are elected at an  
 1-61 election held under Section 49.102, Water Code; or

2-1 (2) the fourth anniversary of the date of the  
 2-2 appointment or reappointment.

2-3 (d) If Subsection (c) applies, the owner or owners of a  
 2-4 majority of the assessed value of the real property in the district  
 2-5 may submit a petition to the Texas Commission on Environmental  
 2-6 Quality requesting that the commission appoint as successor  
 2-7 temporary directors the five persons named in the petition. The  
 2-8 Texas Commission on Environmental Quality shall appoint as  
 2-9 successor temporary directors the five persons named in the  
 2-10 petition.

2-11 SECTION 4. Subchapter C, Chapter 8116, Special District  
 2-12 Local Laws Code, is amended by adding Sections 8116.104, 8116.105,  
 2-13 8116.106, and 8116.107 to read as follows:

2-14 Sec. 8116.104. GENERAL POWERS AND DUTIES. The district has  
 2-15 the powers and duties necessary to accomplish the purposes for  
 2-16 which the district is created.

2-17 Sec. 8116.105. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-18 DUTIES. The district has the powers and duties provided by the  
 2-19 general law of this state, including Chapters 49 and 54, Water Code,  
 2-20 applicable to municipal utility districts created under Section 59,  
 2-21 Article XVI, Texas Constitution.

2-22 Sec. 8116.106. AUTHORITY FOR ROAD PROJECTS. Under Section  
 2-23 52, Article III, Texas Constitution, the district may design,  
 2-24 acquire, construct, finance, issue bonds for, improve, operate,  
 2-25 maintain, and convey to this state, a county, or a municipality for  
 2-26 operation and maintenance macadamized, graveled, or paved roads, or  
 2-27 improvements, including storm drainage, in aid of those roads.

2-28 Sec. 8116.107. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
 2-29 project must meet all applicable construction standards, zoning and  
 2-30 subdivision requirements, and regulations of each municipality in  
 2-31 whose corporate limits or extraterritorial jurisdiction the road  
 2-32 project is located.

2-33 (b) If a road project is not located in the corporate limits  
 2-34 or extraterritorial jurisdiction of a municipality, the road  
 2-35 project must meet all applicable construction standards,  
 2-36 subdivision requirements, and regulations of each county in which  
 2-37 the road project is located.

2-38 (c) If the state will maintain and operate the road, the  
 2-39 Texas Transportation Commission must approve the plans and  
 2-40 specifications of the road project.

2-41 SECTION 5. Chapter 8116, Special District Local Laws Code,  
 2-42 is amended by adding Subchapters D and E to read as follows:

2-43 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-44 Sec. 8116.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
 2-45 district may issue, without an election, bonds and other  
 2-46 obligations secured by:

2-47 (1) revenue other than ad valorem taxes; or

2-48 (2) contract payments described by Section 8116.153.

2-49 (b) The district must hold an election in the manner  
 2-50 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 2-51 before the district may impose an ad valorem tax or issue bonds  
 2-52 payable from ad valorem taxes.

2-53 (c) The district may not issue bonds payable from ad valorem  
 2-54 taxes to finance a road project unless the issuance is approved by a  
 2-55 vote of a two-thirds majority of the district voters voting at an  
 2-56 election held for that purpose.

2-57 Sec. 8116.152. OPERATION AND MAINTENANCE TAX. (a) If  
 2-58 authorized at an election held under Section 8116.151, the district  
 2-59 may impose an operation and maintenance tax on taxable property in  
 2-60 the district in accordance with Section 49.107, Water Code.

2-61 (b) The board shall determine the tax rate. The rate may not  
 2-62 exceed the rate approved at the election.

2-63 Sec. 8116.153. CONTRACT TAXES. (a) In accordance with  
 2-64 Section 49.108, Water Code, the district may impose a tax other than  
 2-65 an operation and maintenance tax and use the revenue derived from  
 2-66 the tax to make payments under a contract after the provisions of  
 2-67 the contract have been approved by a majority of the district voters  
 2-68 voting at an election held for that purpose.

2-69 (b) A contract approved by the district voters may contain a

3-1 provision stating that the contract may be modified or amended by  
3-2 the board without further voter approval.

3-3 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-4 Sec. 8116.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3-5 OBLIGATIONS. The district may issue bonds or other obligations  
3-6 payable wholly or partly from ad valorem taxes, impact fees,  
3-7 revenue, contract payments, grants, or other district money, or any  
3-8 combination of those sources, to pay for any authorized district  
3-9 purpose.

3-10 Sec. 8116.202. TAXES FOR BONDS. At the time the district  
3-11 issues bonds payable wholly or partly from ad valorem taxes, the  
3-12 board shall provide for the annual imposition of a continuing  
3-13 direct ad valorem tax, without limit as to rate or amount, while all  
3-14 or part of the bonds are outstanding as required and in the manner  
3-15 provided by Sections 54.601 and 54.602, Water Code.

3-16 Sec. 8116.203. BONDS FOR ROAD PROJECTS. At the time of  
3-17 issuance, the total principal amount of bonds or other obligations  
3-18 issued or incurred to finance road projects and payable from ad  
3-19 valorem taxes may not exceed one-fourth of the assessed value of the  
3-20 real property in the district.

3-21 SECTION 6. The following provisions of the Special District  
3-22 Local Laws Code are repealed:

- 3-23 (1) Subchapter A1, Chapter 8116; and
- 3-24 (2) Section 8116.052.

3-25 SECTION 7. The East Montgomery County Municipal Utility  
3-26 District No. 12 retains all the rights, powers, privileges,  
3-27 authority, duties, and functions that it had before the effective  
3-28 date of this Act.

3-29 SECTION 8. (a) The legislature validates and confirms all  
3-30 governmental acts and proceedings of the East Montgomery County  
3-31 Municipal Utility District No. 12 that were taken before the  
3-32 effective date of this Act.

3-33 (b) This section does not apply to any matter that on the  
3-34 effective date of this Act:

- 3-35 (1) is involved in litigation if the litigation  
3-36 ultimately results in the matter being held invalid by a final court  
3-37 judgment; or
- 3-38 (2) has been held invalid by a final court judgment.

3-39 SECTION 9. (a) The legal notice of the intention to  
3-40 introduce this Act, setting forth the general substance of this  
3-41 Act, has been published as provided by law, and the notice and a  
3-42 copy of this Act have been furnished to all persons, agencies,  
3-43 officials, or entities to which they are required to be furnished  
3-44 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3-45 Government Code.

3-46 (b) The governor, one of the required recipients, has  
3-47 submitted the notice and Act to the Texas Commission on  
3-48 Environmental Quality.

3-49 (c) The Texas Commission on Environmental Quality has filed  
3-50 its recommendations relating to this Act with the governor, the  
3-51 lieutenant governor, and the speaker of the house of  
3-52 representatives within the required time.

3-53 (d) All requirements of the constitution and laws of this  
3-54 state and the rules and procedures of the legislature with respect  
3-55 to the notice, introduction, and passage of this Act are fulfilled  
3-56 and accomplished.

3-57 SECTION 10. This Act takes effect immediately if it  
3-58 receives a vote of two-thirds of all the members elected to each  
3-59 house, as provided by Section 39, Article III, Texas Constitution.  
3-60 If this Act does not receive the vote necessary for immediate  
3-61 effect, this Act takes effect September 1, 2019.

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