

1-1 By: Creighton S.B. No. 2457  
 1-2 (In the Senate - Filed March 25, 2019; March 27, 2019, read  
 1-3 first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 23, 2019, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 0; April 23, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Schwertner	X			
1-9 Alvarado	X			
1-10 Campbell	X			
1-11 Fallon	X			
1-12 Menéndez			X	
1-13 Nichols	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. 175; granting a limited power of eminent domain;  
 1-19 providing 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. Subtitle F, Title 6, Special District Local Laws  
 1-23 Code, is amended by adding Chapter 8050 to read as follows:  
 1-24 CHAPTER 8050. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 175

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8050.0101. DEFINITIONS. In this chapter:

- 1-27 (1) "Board" means the district's board of directors.
- 1-28 (2) "Commission" means the Texas Commission on  
 1-29 Environmental Quality.
- 1-30 (3) "Director" means a board member.
- 1-31 (4) "District" means the Montgomery County Municipal  
 1-32 Utility District No. 175.

1-33 Sec. 8050.0102. NATURE OF DISTRICT. The district is a  
 1-34 municipal utility district created under Section 59, Article XVI,  
 1-35 Texas Constitution.

1-36 Sec. 8050.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-37 REQUIRED. The temporary directors shall hold an election to  
 1-38 confirm the creation of the district and to elect five permanent  
 1-39 directors as provided by Section 49.102, Water Code.

1-40 Sec. 8050.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-41 temporary directors may not hold an election under Section  
 1-42 8050.0103 until each municipality in whose corporate limits or  
 1-43 extraterritorial jurisdiction the district is located has  
 1-44 consented by ordinance or resolution to the creation of the  
 1-45 district and to the inclusion of land in the district.

1-46 Sec. 8050.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

- 1-47 (a) The district is created to serve a public purpose and benefit.
- 1-48 (b) The district is created to accomplish the purposes of:
  - 1-49 (1) a municipal utility district as provided by
  - 1-50 general law and Section 59, Article XVI, Texas Constitution; and
  - 1-51 (2) Section 52, Article III, Texas Constitution, that
  - 1-52 relate to the construction, acquisition, improvement, operation,
  - 1-53 or maintenance of macadamized, graveled, or paved roads, or
  - 1-54 improvements, including storm drainage, in aid of those roads.

1-55 Sec. 8050.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-56 district is initially composed of the territory described by  
 1-57 Section 2 of the Act enacting this chapter.

1-58 (b) The boundaries and field notes contained in Section 2 of  
 1-59 the Act enacting this chapter form a closure. A mistake made in the  
 1-60 field notes or in copying the field notes in the legislative process  
 1-61 does not affect the district's:

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

SUBCHAPTER B. BOARD OF DIRECTORS

2-8 Sec. 8050.0201. GOVERNING BODY; TERMS. (a) The district  
 2-9 is governed by a board of five elected directors.  
 2-10 (b) Except as provided by Section 8050.0202, directors  
 2-11 serve staggered four-year terms.

2-12 Sec. 8050.0202. TEMPORARY DIRECTORS. (a) On or after the  
 2-13 effective date of the Act enacting this chapter, the owner or owners  
 2-14 of a majority of the assessed value of the real property in the  
 2-15 district may submit a petition to the commission requesting that  
 2-16 the commission appoint as temporary directors the five persons  
 2-17 named in the petition. The commission shall appoint as temporary  
 2-18 directors the five persons named in the petition.

2-19 (b) Temporary directors serve until the earlier of:  
 2-20 (1) the date permanent directors are elected under  
 2-21 Section 8050.0103; or  
 2-22 (2) the fourth anniversary of the effective date of  
 2-23 the Act enacting this chapter.

2-24 (c) If permanent directors have not been elected under  
 2-25 Section 8050.0103 and the terms of the temporary directors have  
 2-26 expired, successor temporary directors shall be appointed or  
 2-27 reappointed as provided by Subsection (d) to serve terms that  
 2-28 expire on the earlier of:

2-29 (1) the date permanent directors are elected under  
 2-30 Section 8050.0103; or  
 2-31 (2) the fourth anniversary of the date of the  
 2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a  
 2-34 majority of the assessed value of the real property in the district  
 2-35 may submit a petition to the commission requesting that the  
 2-36 commission appoint as successor temporary directors the five  
 2-37 persons named in the petition. The commission shall appoint as  
 2-38 successor temporary directors the five persons named in the  
 2-39 petition.

SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 8050.0301. GENERAL POWERS AND DUTIES. The district  
 2-42 has the powers and duties necessary to accomplish the purposes for  
 2-43 which the district is created.

2-44 Sec. 8050.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-45 DUTIES. The district has the powers and duties provided by the  
 2-46 general law of this state, including Chapters 49 and 54, Water Code,  
 2-47 applicable to municipal utility districts created under Section 59,  
 2-48 Article XVI, Texas Constitution.

2-49 Sec. 8050.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
 2-50 52, Article III, Texas Constitution, the district may design,  
 2-51 acquire, construct, finance, issue bonds for, improve, operate,  
 2-52 maintain, and convey to this state, a county, or a municipality for  
 2-53 operation and maintenance macadamized, graveled, or paved roads, or  
 2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 8050.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-56 road project must meet all applicable construction standards,  
 2-57 zoning and subdivision requirements, and regulations of each  
 2-58 municipality in whose corporate limits or extraterritorial  
 2-59 jurisdiction the road project is located.

2-60 (b) If a road project is not located in the corporate limits  
 2-61 or extraterritorial jurisdiction of a municipality, the road  
 2-62 project must meet all applicable construction standards,  
 2-63 subdivision requirements, and regulations of each county in which  
 2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the  
 2-66 Texas Transportation Commission must approve the plans and  
 2-67 specifications of the road project.

2-68 Sec. 8050.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 2-69 ORDINANCE OR RESOLUTION. The district shall comply with all

3-1 applicable requirements of any ordinance or resolution that is  
3-2 adopted under Section 54.016 or 54.0165, Water Code, and that  
3-3 consents to the creation of the district or to the inclusion of land  
3-4 in the district.

3-5 Sec. 8050.0306. DIVISION OF DISTRICT. (a) The district  
3-6 may be divided into two or more new districts only if the district:

- 3-7 (1) has never issued any bonds; and
- 3-8 (2) is not imposing ad valorem taxes.

3-9 (b) This chapter applies to any new district created by the  
3-10 division of the district, and a new district has all the powers and  
3-11 duties of the district.

3-12 (c) Any new district created by the division of the district  
3-13 may not, at the time the new district is created, contain any land  
3-14 outside the area described by Section 2 of the Act enacting this  
3-15 chapter.

3-16 (d) The board, on its own motion or on receipt of a petition  
3-17 signed by the owner or owners of a majority of the assessed value of  
3-18 the real property in the district, may adopt an order dividing the  
3-19 district.

3-20 (e) The board may adopt an order dividing the district  
3-21 before or after the date the board holds an election under Section  
3-22 8050.0103 to confirm the creation of the district.

3-23 (f) An order dividing the district shall:

- 3-24 (1) name each new district;
- 3-25 (2) include the metes and bounds description of the  
3-26 territory of each new district;
- 3-27 (3) appoint temporary directors for each new district;

3-28 and  
3-29 (4) provide for the division of assets and liabilities  
3-30 between or among the new districts.

3-31 (g) On or before the 30th day after the date of adoption of  
3-32 an order dividing the district, the district shall file the order  
3-33 with the commission and record the order in the real property  
3-34 records of each county in which the district is located.

3-35 (h) Any new district created by the division of the district  
3-36 shall hold a confirmation and directors' election as required by  
3-37 Section 8050.0103.

3-38 (i) If the creation of the new district is confirmed, the  
3-39 new district shall provide the election date and results to the  
3-40 commission.

3-41 (j) Any new district created by the division of the district  
3-42 must hold an election as required by this chapter to obtain voter  
3-43 approval before the district may impose a maintenance tax or issue  
3-44 bonds payable wholly or partly from ad valorem taxes.

3-45 (k) Municipal consent to the creation of the district and to  
3-46 the inclusion of land in the district granted under Section  
3-47 8050.0104 acts as municipal consent to the creation of any new  
3-48 district created by the division of the district and to the  
3-49 inclusion of land in the new district.

3-50 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-51 Sec. 8050.0401. ELECTIONS REGARDING TAXES OR BONDS.

3-52 (a) The district may issue, without an election, bonds and other  
3-53 obligations secured by:

- 3-54 (1) revenue other than ad valorem taxes; or
- 3-55 (2) contract payments described by Section 8050.0403.

3-56 (b) The district must hold an election in the manner  
3-57 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-58 before the district may impose an ad valorem tax or issue bonds  
3-59 payable from ad valorem taxes.

3-60 (c) The district may not issue bonds payable from ad valorem  
3-61 taxes to finance a road project unless the issuance is approved by a  
3-62 vote of a two-thirds majority of the district voters voting at an  
3-63 election held for that purpose.

3-64 Sec. 8050.0402. OPERATION AND MAINTENANCE TAX. (a) If  
3-65 authorized at an election held under Section 8050.0401, the  
3-66 district may impose an operation and maintenance tax on taxable  
3-67 property in the district in accordance with Section 49.107, Water  
3-68 Code.

3-69 (b) The board shall determine the tax rate. The rate may not

4-1 exceed the rate approved at the election.

4-2 Sec. 8050.0403. CONTRACT TAXES. (a) In accordance with  
 4-3 Section 49.108, Water Code, the district may impose a tax other than  
 4-4 an operation and maintenance tax and use the revenue derived from  
 4-5 the tax to make payments under a contract after the provisions of  
 4-6 the contract have been approved by a majority of the district voters  
 4-7 voting at an election held for that purpose.

4-8 (b) A contract approved by the district voters may contain a  
 4-9 provision stating that the contract may be modified or amended by  
 4-10 the board without further voter approval.

4-11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-12 Sec. 8050.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
 4-13 OBLIGATIONS. The district may issue bonds or other obligations  
 4-14 payable wholly or partly from ad valorem taxes, impact fees,  
 4-15 revenue, contract payments, grants, or other district money, or any  
 4-16 combination of those sources, to pay for any authorized district  
 4-17 purpose.

4-18 Sec. 8050.0502. TAXES FOR BONDS. At the time the district  
 4-19 issues bonds payable wholly or partly from ad valorem taxes, the  
 4-20 board shall provide for the annual imposition of a continuing  
 4-21 direct ad valorem tax, without limit as to rate or amount, while all  
 4-22 or part of the bonds are outstanding as required and in the manner  
 4-23 provided by Sections 54.601 and 54.602, Water Code.

4-24 Sec. 8050.0503. BONDS FOR ROAD PROJECTS. At the time of  
 4-25 issuance, the total principal amount of bonds or other obligations  
 4-26 issued or incurred to finance road projects and payable from ad  
 4-27 valorem taxes may not exceed one-fourth of the assessed value of the  
 4-28 real property in the district.

4-29 SECTION 2. The Montgomery County Municipal Utility District  
 4-30 No. 175 initially includes all the territory contained in the  
 4-31 following area:

4-32 A TRACT OF LAND SITUATED IN THE STATE OF TEXAS, IN MONTGOMERY  
 4-33 COUNTY, TEXAS AND CONTAINING 857.061 ACRES OF LAND NOW OR FORMERLY  
 4-34 OWNED BY GEORGE P. MITCHELL AND BEING ALL OR PART OF THE FOLLOWING  
 4-35 SURVEYS: WILLIAM LOWE SURVEY A-325 AND MATTHEW MORSE SURVEY A-337.  
 4-36 SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND  
 4-37 BOUNDS AS FOLLOWS: BEARING ORIENTATION IS BASED ON THE TEXAS STATE  
 4-38 PLANE COORDINATE SYSTEM, CENTRAL ZONE.

4-39 BEGINNING AT A FENCE CORNER BEING THE SOUTHWEST CORNER OF THE  
 4-40 TRACT HEREIN BEING DESCRIBED AND BEING AT ITS INTERSECTION WITH THE  
 4-41 EAST RIGHT-OF-WAY OF STATE HIGHWAY NO. 149 (100' R.O.W.) AND BEING  
 4-42 ALSO ON THE SOUTH BOUNDARY OF THE WILLIAM LOWE SURVEY A-325, BEING A  
 4-43 COMMON BOUNDARY WITH THE NORTH BOUNDARY OF THE WILLIAM McNINN NUNER  
 4-44 SURVEY A-401. SAID POINT OF BEGINNING HAVING A TEXAS STATE PLANE  
 4-45 COORDINATE VALUE OF X=3,462,817.99, Y=363,395.89.

4-46 THENCE N02° 59' 17"W, 3,465.49 FEET ALONG THE WEST BOUNDARY OF  
 4-47 THIS TRACT AS FENCED AND OCCUPIED AND ALONG THE EAST RIGHT-OF-WAY OF  
 4-48 SAID STATE HIGHWAY NO. 149 TO A FENCE CORNER AND POINT FOR CORNER  
 4-49 FOR THIS TRACT. SAID CORNER BEING COMMON WITH THE SOUTHWEST CORNER  
 4-50 OF "177 LAKE ESTATES SUBDIVISION."

4-51 THENCE N87° 05' 50"E, 2,735.87 FEET ALONG A NORTH BOUNDARY OF  
 4-52 THIS TRACT AS FENCED AND OCCUPIED, BEING ALSO THE SOUTH BOUNDARY OF  
 4-53 SAID "177 LAKE ESTATES SUBDIVISION" AND BEING ALSO THE NORTH  
 4-54 BOUNDARY OF SAID WILLIAM LOWE SURVEY TO A POINT FOR CORNER MARKED BY  
 4-55 A 4" BOILER PIPE (FOUND) AT FENCE CORNER.

4-56 THENCE N03° 28' 09"W, 2,738.46 FEET ALONG A WEST BOUNDARY OF  
 4-57 THIS TRACT AS FENCED AND OCCUPIED, BEING COMMON WITH THE EAST  
 4-58 BOUNDARY OF SAID "177 LAKE ESTATES SUBDIVISION" AND BEING ALSO A  
 4-59 WEST BOUNDARY OF THE MATTHEW MORSE SURVEY TO A POINT FOR CORNER  
 4-60 BEING THE NORTHWEST CORNER OF THIS TRACT AND BEING AT ITS  
 4-61 INTERSECTION WITH THE SOUTH RIGHT-OF-WAY KEENAN CUT OFF ROAD, AND  
 4-62 MARKED BY A 4" BOILER PIPE (FOUND).

4-63 THENCE, N86° 45' 31"E, 4,030.41 FEET ALONG A NORTH BOUNDARY OF  
 4-64 THIS TRACT, SAME BEING THE NORTH BOUNDARY OF SAID MATTHEW MORSE  
 4-65 SURVEY AND THE SOUTH RIGHT-OF-WAY OF KEENAN ROAD TO A POINT FOR  
 4-66 CORNER AND FENCE CORNER. SAID CORNER BEING ALSO THE NORTHWEST  
 4-67 CORNER OF THE T.J. NICHOLS SURVEY.

4-68 THENCE ALONG A COMMON BOUNDARY BETWEEN THE MATTHEW MORSE  
 4-69 SURVEY AND THE T.J. NICHOLS SURVEY AS FENCED AND OCCUPIED AS

5-1 FOLLOWS:

5-2 S03° 06' 04"E, 2,334.84 FEET TO A FENCE CORNER, AND POINT FOR CORNER.

5-3 AND N87° 21' 40"E, 1,301.13 FEET TO A POINT FOR CORNER MARKED BY A 4"

5-4 BOILER PIPE (FOUND) AT FENCE CORNER AND BEING AT ITS INTERSECTION

5-5 WITH THE WEST BOUNDARY OF THE JAMES HALL SURVEY.

5-6 THENCE ALONG THE EAST BOUNDARY OF SAID MATTHEW MORSE SURVEY

5-7 AS FENCED AND OCCUPIED, SAME BEING THE WEST BOUNDARY OF SAID JAMES

5-8 HALL SURVEY AND THE M.J. KIRBY AS FOLLOWS:

5-9 S02° 58' 28"E, 2,103.25 FEET TO A POINT FOR CORNER MARKED BY A 1 1/4"

5-10 IRON PIPE (FOUND).

5-11 S03° 24' 06"E, 21,203.26 FEET TO A POINT FOR CORNER MARKED BY A 1

5-12 1/4" IRON PIPE (FOUND).

5-13 AND S03° 50' 21"E, 346.32 FEET TO A POINT FOR CORNER AT ITS

5-14 INTERSECTION WITH THE NORTH BOUNDARY OF A 20.00 ACRE TRACT OWNED BY

5-15 GEORGE P. MITCHELL.

5-16 THENCE ALONG THE SOUTH BOUNDARY OF THIS TRACT SEVERING THE

5-17 MATTHEW MORSE SURVEY ALONG THE NORTH AND WEST BOUNDARY OF ABOVE

5-18 MENTIONED 20.00 ACRE TRACT AS FOLLOWS:

5-19 S89° 31' 14"W, 1,727.72 FEET TO A POINT FOR CORNER MARKED BY A 5/8"

5-20 IRON ROD WITH ALUMINUM CAP (FOUND).

5-21 AND S00° 28' 46"E, 500.00 FEET TO A POINT FOR CORNER ON THE SOUTH

5-22 LINE OF SAID MATTHEW MORSE SURVEY BEING COMMON WITH THE NORTH

5-23 BOUNDARY OF THE DANIEL ROPER SURVEY.

5-24 THENCE S89° 31' 14"W, 2,144.18 FEET ALONG THE ABOVE MENTIONED

5-25 COMMON SURVEY LINE TO A POINT FOR CORNER.

5-26 THENCE SEVERING SAID MATTHEW MORSE SURVEY AND THE WILLIAM

5-27 LOWE SURVEY AS FOLLOWS:

5-28 N02° 59' 17"W, 913.97 FEET TO A POINT FOR CORNER MARKED BY A 5/8"

5-29 IRON ROD WITH ALUMINUM CAP (FOUND).

5-30 S89° 31' 14"W, 1,868.81 FEET TO A POINT FOR CORNER ON THE CENTERLINE

5-31 OF THE TEXAS EASTERN PIPELINE RIGHT-OF-WAY RECORDED IN VOLUME 336,

5-32 PAGE 429 OF THE DEED RECORDS OF MONTGOMERY COUNTY, TEXAS (50 FEET

5-33 WIDE PIPELINE RIGHT-OF-WAY).

5-34 AND S44° 01' 41"W, 1,280.36 FEET ALONG THE CENTERLINE OF SAID

5-35 PIPELINE RIGHT-OF-WAY TO A POINT FOR CORNER AT ITS INTERSECTION

5-36 WITH THE SOUTH BOUNDARY OF SAID WILLIAM LOWE SURVEY AND BEING COMMON

5-37 WITH THE NORTH BOUNDARY OF THE DANIEL ROPER SURVEY.

5-38 THENCE S89° 31' 14"W, 83.12 FEET ALONG THE ABOVE MENTIONED

5-39 COMMON SURVEY LINE TO POINT FOR CORNER MARKED BY A 4" BOILER PIPE AT

5-40 FENCE CORNER AND BEING ALSO THE NORTHWEST CORNER OF THE DANIEL ROPER

5-41 SURVEY.

5-42 THENCE S86° 11' 16"W, 1,285.65 FEET ALONG THE SOUTH BOUNDARY

5-43 OF THE WILLIAM LOWE SURVEY BEING ALSO THE NORTH BOUNDARY OF THE WM.

5-44 McNINN NUNER SURVEY AS FENCED AND OCCUPIED TO THE POINT OF BEGINNING

5-45 AND CONTAINING 857.061 ACRES OF LAND.

5-46 SECTION 3. (a) The legal notice of the intention to

5-47 introduce this Act, setting forth the general substance of this

5-48 Act, has been published as provided by law, and the notice and a

5-49 copy of this Act have been furnished to all persons, agencies,

5-50 officials, or entities to which they are required to be furnished

5-51 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

5-52 Government Code.

5-53 (b) The governor, one of the required recipients, has

5-54 submitted the notice and Act to the Texas Commission on

5-55 Environmental Quality.

5-56 (c) The Texas Commission on Environmental Quality has filed

5-57 its recommendations relating to this Act with the governor, the

5-58 lieutenant governor, and the speaker of the house of

5-59 representatives within the required time.

5-60 (d) All requirements of the constitution and laws of this

5-61 state and the rules and procedures of the legislature with respect

5-62 to the notice, introduction, and passage of this Act are fulfilled

5-63 and accomplished.

5-64 SECTION 4. (a) If this Act does not receive a two-thirds

5-65 vote of all the members elected to each house, Subchapter C, Chapter

5-66 8050, Special District Local Laws Code, as added by Section 1 of

5-67 this Act, is amended by adding Section 8050.0307 to read as follows:

5-68 Sec. 8050.0307. NO EMINENT DOMAIN POWER. The district may

5-69 not exercise the power of eminent domain.

6-1 (b) This section is not intended to be an expression of a  
6-2 legislative interpretation of the requirements of Section 17(c),  
6-3 Article I, Texas Constitution.

6-4 SECTION 5. This Act takes effect immediately if it receives  
6-5 a vote of two-thirds of all the members elected to each house, as  
6-6 provided by Section 39, Article III, Texas Constitution. If this  
6-7 Act does not receive the vote necessary for immediate effect, this  
6-8 Act takes effect September 1, 2019.

6-9

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