

1-1 By: Creighton S.B. No. 2463
 1-2 (In the Senate - Filed March 26, 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. 162; 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 8090 to read as follows:
 1-24 CHAPTER 8090. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8090.0101. 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. 162.

1-33 Sec. 8090.0102. 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. 8090.0103. 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. 8090.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section
 1-42 8090.0103 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. 8090.0105. 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. 8090.0106. 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. 8090.0201. 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 8090.0202, directors
 2-11 serve staggered four-year terms.

2-12 Sec. 8090.0202. 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 8090.0103; 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 8090.0103 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 8090.0103; 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. 8090.0301. 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. 8090.0302. 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. 8090.0303. 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. 8090.0304. 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. 8090.0305. 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. 8090.0306. 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) A 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 8090.0103 to confirm the district's creation.

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 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) A new district created by the division of the district
3-36 shall hold a confirmation and directors' election as required by
3-37 Section 8090.0103.

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 8090.0104 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. 8090.0401. 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 8090.0403.

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. 8090.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-65 authorized at an election held under Section 8090.0401, 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. 8090.0403. 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. 8090.0501. 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. 8090.0502. 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. 8090.0503. 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. 162 initially includes all the territory contained in the
 4-31 following area:

4-32 A description of a 1193 acre tract of land, located in the
 4-33 Alfonzo Steel Survey, Abstract 477, the John Bricker Survey,
 4-34 Abstract 98, the Gowan Harris Survey, Abstract 246, and the Lemuel
 4-35 Smith Survey, Abstract 502, in Montgomery County, Texas; out of the
 4-36 1,835.060 acre tract of land referenced as Tract III, Parcel 2, and
 4-37 out of the 191.470 acre tract of land referenced as Tract II, Parcel
 4-38 1 described in the deed recorded under Document Number 2018042236
 4-39 of the Official Public Records of Montgomery County, Texas and more
 4-40 particularly described as follows (all bearings based on the said
 4-41 2018042236 deed):

4-42 BEGINNING at the north corner of the Tract III, Parcel 2;

4-43 THENCE South 30° 24' 00" East - 4321.40', along the northeast
 4-44 line of said Tract III, Parcel 2, to a northeasterly corner of said
 4-45 Tract III, Parcel 2, in the northeast line of aforesaid Alfonzo
 4-46 Steel Survey;

4-47 THENCE North 58° 58' 21" East - 1919.72', along the north line
 4-48 of Tract III, Parcel 2, partially along the northwest line of said
 4-49 Alfonzo Steel Survey, to the intersection of said north line and the
 4-50 west right-of-way line of FM 1314 (Conroe Porter Road);

4-51 THENCE South 48° 01' 22" East - 2965.58', along said west
 4-52 right-of-way line, and the east line of said Tract III, Parcel 2, to
 4-53 the beginning of a tangent curve to the right;

4-54 THENCE, 1150.34', along said common line, along said curve to
 4-55 the right, having a radius of 1859.86', a central angle of 35° 26'
 4-56 17", and a chord bearing and distance of South 30° 18' 14" East -
 4-57 1132.09', to the end of curve;

4-58 THENCE South 12° 33' 22" East - 34.59', along aforesaid west
 4-59 right-of-way line, the east line of Tract III, Parcel 2 and the east
 4-60 line of Tract 2, Parcel 1, to a point for corner;

4-61 THENCE South 12° 31' 04" East - 2420.93', continuing along
 4-62 said west right-of-way line, and the east line of said Tract 2,
 4-63 Parcel 1, to a point for corner;

4-64 THENCE South 11° 00' 27" East - 587.98', continuing along said
 4-65 common line, to a point which is three hundred feet north of the
 4-66 north right-of-way line of State Highway 242 (Lazy River Road);

4-67 THENCE, along a line three-hundred feet (300') north of and
 4-68 parallel with said north right-of-way line, the following
 4-69 twenty-three (23) courses and distances:

5-1 South 67° 55' 52" West - 25.80' to a point for corner;
 5-2 South 70° 12' 35" West - 881.55' to the beginning of a
 5-3 tangent curve to the right;
 5-4 1655.03', along said curve to the right, having a radius
 5-5 of 2565.25', a central angle of 36° 57' 57", and a chord bearing and
 5-6 distance of South 88° 37' 40" West - 1626.48', to the end of curve;
 5-7 North 72° 50' 13" West - 1053.14' to a point for corner;
 5-8 North 69° 00' 59" West - 298.93' to a point for corner;
 5-9 North 72° 47' 05" West - 126.31' to a point for corner;
 5-10 North 78° 40' 07" West - 99.48' to a point for corner;
 5-11 North 72° 47' 17" West - 183.43' to a point for corner;
 5-12 North 71° 52' 08" West - 300.26' to a point for corner;
 5-13 North 72° 59' 03" West - 110.05' to a point for corner;
 5-14 North 75° 32' 57" West - 99.73' to a point for corner;
 5-15 North 73° 01' 36" West - 504.90' to a point for corner;
 5-16 North 72° 53' 37" West - 601.51' to a point for corner;
 5-17 North 78° 36' 15" West - 100.50' to a point for corner;
 5-18 North 72° 53' 37" West - 299.32' to the point of
 5-19 beginning of a curve to the left;
 5-20 282.46', along said curve to the left, having a radius
 5-21 of 3254.79', a central angle of 04° 58' 20", and a chord bearing and
 5-22 distance of North 75° 22' 47" West - 282.37', to the end of curve;
 5-23 North 75° 22' 06" West - 579.39' to a point for corner;
 5-24 South 81° 54' 27" West - 807.27' to a point for corner;
 5-25 South 76° 44' 39" West - 451.13' to a point for corner;
 5-26 South 69° 22' 36" West - 435.97' to a point for corner;
 5-27 South 66° 28' 20" West - 315.10' to a point for corner;
 5-28 South 63° 36' 35" West - 300.37' to a point for corner;
 5-29 South 66° 28' 20" West - 320.29' to a point for corner;
 5-30 THENCE North 15° 49' 15" West - 1921.98' to a point for corner;
 5-31 THENCE North 59° 25' 43" East - 1902.10' to a point for corner;
 5-32 THENCE North 30° 26' 27" West - 2772.87' to a point for corner
 5-33 in the north line of the aforesaid Tract III, Parcel 2;
 5-34 THENCE North 58° 50' 47" East - 757.22', continuing along said
 5-35 north line, to a point for corner;
 5-36 THENCE North 30° 28' 06" West - 1535.32', continuing along
 5-37 said north line to a point for corner;
 5-38 THENCE North 59° 28' 54" East - 3005.35', continuing along
 5-39 said north line to the POINT OF BEGINNING, for a gross acreage of
 5-40 1195 acres.
 5-41 Save and Except the following description quoted from the
 5-42 deed recorded under Film Code Number 2000024269 of the Real
 5-43 Property Records of Montgomery County, Texas (bearings have been
 5-44 rotated to aforesaid 2018042236 deed bearing):
 5-45 ALL THAT TRACT OR PARCEL OF LAND situated in Montgomery
 5-46 County, Texas out of the Gowan Harris Survey A-246 and being a
 5-47 portion of the tract of land called 1,117.77 acres and designated as
 5-48 T85M1 as described in a deed from Champion International
 5-49 Corporation to Champion Realty Corporation (Florida) dated
 5-50 November 8, 1985 and recorded in Montgomery County Clerk File
 5-51 No. 8550943 of the Real Property Records of Montgomery County,
 5-52 Texas said 1.580 acre tract being more particularly described as
 5-53 follows;
 5-54 BEGINNING at a set 1/2" iron pin for the North corner in the
 5-55 division line between the Gowan Harris Survey A-246 and the Alfonso
 5-56 Stiel Survey A-477, also the Northwest line of the 1,117.77 acre
 5-57 tract, a set 1/2" iron pin the Southeast line of the Stiel Survey at
 5-58 a common corner between the Harris Survey and John Bricker Survey
 5-59 A-98, also the North corner of the 1,117.77 acre tract, lies N 59°
 5-60 28' 47" E, 466.69 ft. from this point;
 5-61 THENCE departing said division line with Northeast line of
 5-62 this tract, S 30° 34' 17" E, 220.28 ft. to a set 1/2" iron pin for
 5-63 East corner;
 5-64 THENCE with the Southeast line of this tract, S 59° 28' 47" W,
 5-65 312.46 ft. to a set 1/2" iron pin for South corner;
 5-66 THENCE with the Southwest line of this tract, N 30° 34' 17" W,
 5-67 220.28 ft. to a set 1/2" iron pin in the division line between the
 5-68 Stiel and Harris Surveys for West corner;
 5-69 THENCE with said division line, also the Northwest Line of

6-1 said 1,117.77 acre tract and the tract herein described, N 59° 28'
6-2 47" E, 312.46 ft. to the PLACE OF BEGINNING and containing 1.580
6-3 acres of land.

6-4 For a net acreage of 1193 acres.

6-5 SECTION 3. (a) The legal notice of the intention to
6-6 introduce this Act, setting forth the general substance of this
6-7 Act, has been published as provided by law, and the notice and a
6-8 copy of this Act have been furnished to all persons, agencies,
6-9 officials, or entities to which they are required to be furnished
6-10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-11 Government Code.

6-12 (b) The governor, one of the required recipients, has
6-13 submitted the notice and Act to the Texas Commission on
6-14 Environmental Quality.

6-15 (c) The Texas Commission on Environmental Quality has filed
6-16 its recommendations relating to this Act with the governor, the
6-17 lieutenant governor, and the speaker of the house of
6-18 representatives within the required time.

6-19 (d) All requirements of the constitution and laws of this
6-20 state and the rules and procedures of the legislature with respect
6-21 to the notice, introduction, and passage of this Act are fulfilled
6-22 and accomplished.

6-23 SECTION 4. (a) If this Act does not receive a two-thirds
6-24 vote of all the members elected to each house, Subchapter C, Chapter
6-25 8090, Special District Local Laws Code, as added by Section 1 of
6-26 this Act, is amended by adding Section 8090.0307 to read as follows:

6-27 Sec. 8090.0307. NO EMINENT DOMAIN POWER. The district may
6-28 not exercise the power of eminent domain.

6-29 (b) This section is not intended to be an expression of a
6-30 legislative interpretation of the requirements of Section 17(c),
6-31 Article I, Texas Constitution.

6-32 SECTION 5. This Act takes effect immediately if it receives
6-33 a vote of two-thirds of all the members elected to each house, as
6-34 provided by Section 39, Article III, Texas Constitution. If this
6-35 Act does not receive the vote necessary for immediate effect, this
6-36 Act takes effect September 1, 2019.

6-37

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