

1-1 By: Creighton S.B. No. 2464
 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	X			
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. 163; 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 8091 to read as follows:
 1-24 CHAPTER 8091. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8091.0101. 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. 163.

1-33 Sec. 8091.0102. 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. 8091.0103. 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. 8091.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section
 1-42 8091.0103 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. 8091.0105. 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. 8091.0106. 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. 8091.0201. 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 8091.0202, directors

2-11 serve staggered four-year terms.

2-12 Sec. 8091.0202. 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 8091.0103; 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 8091.0103 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 8091.0103; 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. 8091.0301. 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. 8091.0302. 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. 8091.0303. 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. 8091.0304. 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. 8091.0305. 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. 8091.0306. 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 8091.0103 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 8091.0103.

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 8091.0104 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. 8091.0401. 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 8091.0403.

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. 8091.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-65 authorized at an election held under Section 8091.0401, 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. 8091.0403. 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. 8091.0501. 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. 8091.0502. 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. 8091.0503. 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. 163 initially includes all the territory contained in the
 4-31 following area:

4-32 A description of a 1229 acre tract of land, located in the
 4-33 Alfonzo Steel Survey, Abstract 477, the T. & N.O. Railroad Company,
 4-34 Section 4 Survey, Abstract 741, and the John Bricker Survey,
 4-35 Abstract 98, in Montgomery County, Texas; out of the 273.466 acre
 4-36 tract of land referenced as Tract III, Parcel 1, out of the 195.961
 4-37 acre tract of land referenced as Tract 2, Parcel 2, out the 90.860
 4-38 acre tract referenced as Tract 2, Parcel 3, and out of that 648.855
 4-39 acre tract describes as Tract I as described in the deed recorded
 4-40 under Document Number 2018042236 of the Official Public Records of
 4-41 Montgomery County, Texas and more particularly described as
 4-42 follows:

4-43 BEGINNING at the northeast corner of said Tract I, and the
 4-44 northeast corner of T. & N.O. Railroad Company, Section 4 Survey;

4-45 THENCE South 00° 06' 00" West - 4845.80', along the east line
 4-46 of said Tract I, and the east line of said T. & N.O. Railroad
 4-47 Company, Section 4 Survey, to the southeast corner of said Tract I,
 4-48 and the southeast corner of said T. & N.O. Railroad Company, Section
 4-49 4 Survey;

4-50 THENCE North 89° 57' 02" West - 5148.33', along the south line
 4-51 of said tract I and the south line of said T. & N.O. Railroad
 4-52 Company, Section 4 Survey, to the southwest corner of said Tract I,
 4-53 and the southwest corner of said T. & N.O. RR. CO. Section 4 Survey,
 4-54 in the east line of aforesaid Tract 2, Parcel 2, and the east line of
 4-55 aforesaid John Bricker Survey;

4-56 THENCE South 30° 09' 50" East - 826.43', along the east line of
 4-57 aforesaid Tract 2, Parcel 2, and along the east line of said John
 4-58 Bricker Survey, to a southeast corner of said Tract 2, Parcel 2, and
 4-59 a southeast corner of the John Bricker Survey, lying in the north
 4-60 right-of-way line of State Highway 242;

4-61 THENCE South 30° 34' 35" East - 220.69', continuing along said
 4-62 northeast line of said John Bricker Survey to a point for corner in
 4-63 the south right-of-way line of said State Highway 242, in the north
 4-64 line of said Tract 2, Parcel 3;

4-65 THENCE South 30° 15' 03" East - 688.49', along the northeast
 4-66 line of said Tract 2, Parcel 3, and along the northeast line of said
 4-67 John Bricker Survey, to the east corner of said Tract 2, Parcel 3,
 4-68 and the southeast corner of said John Bricker Survey;

4-69 THENCE South 59° 13' 35" West - 3060.96', along the southeast

5-1 line of said Tract 2, Parcel 3 and the southeast line of said John
5-2 Bricker Survey, to the intersection of said southeast lines, and
5-3 the east right-of-way line of FM 1314 (Conroe Porter Road), being
5-4 the south corner of said Tract 2, Parcel 3;
5-5 THENCE North 24° 51' 16" West - 778.41', along said east
5-6 right-of-way line, and the west line of Tract 2, Parcel 3 to a point
5-7 for corner;
5-8 THENCE, North 22° 10' 36" West - 597.39', continuing along
5-9 said common line, to a point for corner;
5-10 THENCE, North 19° 50' 32" West - 241.38', continuing along
5-11 said common line, to at the south end of the southeasterly cutback
5-12 corner, and the northwest corner of aforesaid Tract 2, Parcel 3, at
5-13 the intersection of the aforesaid east right of way line of FM 1314
5-14 (Conroe Porter Road) and the south line of State Highway 242;
5-15 THENCE, North 16° 50' 19" West - 538.64', continuing along
5-16 said east right-of-way line, to the north end of the northeasterly
5-17 cutback corner of the said intersection, and the south corner of
5-18 aforesaid Tract 2, Parcel 2, at the intersection of the aforesaid
5-19 east right of way line of FM 1314 (Conroe Porter Road) and the south
5-20 line of State Highway 242;
5-21 THENCE, North 23° 14' 55" West - 200.33', continuing along
5-22 said east right-of-way line, and the west line of aforesaid Tract 2,
5-23 Parcel 2 to a point for corner;
5-24 THENCE, North 13° 30' 38" West - 995.85', continuing along
5-25 said common line, to a point for corner;
5-26 THENCE, North 12° 01' 58" West - 2102.94', continuing along
5-27 said common line, to a point for corner;
5-28 THENCE North 12° 33' 22" West - 1.21', along the aforesaid
5-29 east right of way line, and aforesaid west line of Tract 2, Parcel
5-30 2, and the aforesaid west line of Tract III, Parcel 1, to the point
5-31 of beginning of curve to the left;
5-32 THENCE, 1212.26', continuing along said east right-of-way
5-33 line, and the west line of said Tract III, Parcel 1 along said curve
5-34 to the left, having a radius of 1959.86', a central angle of 35° 26'
5-35 24", and a chord bearing and distance of North 30° 16' 34" West -
5-36 1193.03', to the end of curve;
5-37 THENCE North 48° 01' 22" West - 2935.99', continuing along
5-38 said common line, to the intersection of said common line, and the
5-39 north line of the Alfonzo Steel Survey, being the northwest corner
5-40 of said Tract III, Parcel 1;
5-41 THENCE, North 58° 58' 24" East - 3695.00', along said north
5-42 line to the north corner of said Tract III, Parcel 1, being the most
5-43 northerly west corner of the 178 acre tract of land described in the
5-44 deed recorded under Volume 20, Page 612 of the Deed Records of
5-45 Montgomery County, Texas;
5-46 THENCE South 30° 57' 11" East - 3592.37', along the east line
5-47 of said Tract III Parcel 1 and the southwest line of said 178 acre
5-48 tract, to an interior corner of said 178 acre tract;
5-49 THENCE South 59° 02' 57" West - 1387.45', along the south line
5-50 of said Tract III, Parcel 1 and the north line of said 178 acre
5-51 tract, to the most southerly west corner of said 178 acre tract;
5-52 THENCE South 30° 43' 40" East - 411.55', along a southwest
5-53 line of said 178 acre tract, to the south corner of said 178 acre
5-54 tract, in the south line of aforesaid Alfonzo Steel Survey, common
5-55 to a northwest line of aforesaid T. & N.O. Railroad Company, Section
5-56 4 Survey;
5-57 THENCE North 59° 36' 50" East - 3196.12', along said northwest
5-58 line, the northwest line of Tract 2, Parcel 2, the northwest line of
5-59 aforementioned Tract I, the southeast line of said Alfonzo Steel
5-60 Survey, and the southeast line of said 178 acre tract, to an
5-61 interior corner of said T. & N.O. Railroad Company, Section 4
5-62 Survey, common to the east corner of said Alfonzo Steel Survey, and
5-63 the east corner of said 178 acre tract;
5-64 THENCE North 30° 28' 49" West - 375.00', along the northwest
5-65 line of said Tract I, northwest line of said T. & N.O. Railroad
5-66 Company, Section 4 Survey, the northeast line of said Alfonzo Steel
5-67 Survey, and the northeast line of said 178 acre tract, to the most
5-68 northerly northwest corner of said Tract I and T. & N.O. Railroad
5-69 Company, Section 4 Survey;

6-1 THENCE North 89° 56' 58" East - 4636.24, along the north line
6-2 of said Tract I and T. & N.O. Railroad Company, Section 4 Survey, to
6-3 the POINT OF BEGINNING and containing 1229 acres of land, more or
6-4 less.

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 8091, Special District Local Laws Code, as added by Section 1 of
6-26 this Act, is amended by adding Section 8091.0307 to read as follows:
6-27 Sec. 8091.0307. 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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