

1-1 By: Metcalf (Senate Sponsor - Creighton) H.B. No. 4649
 1-2 (In the Senate - Received from the House May 17, 2021;
 1-3 May 17, 2021, read first time and referred to Committee on Local
 1-4 Government; May 21, 2021, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini			X	

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the creation of the Montgomery County Municipal Utility
 1-20 District No. 198; granting a limited power of eminent domain;
 1-21 providing authority to issue bonds; providing authority to impose
 1-22 assessments, fees, and taxes.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-25 Code, is amended by adding Chapter 7906A to read as follows:

1-26 CHAPTER 7906A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT
 1-27 NO. 198

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 7906A.0101. DEFINITIONS. In this chapter:

1-30 (1) "Board" means the district's board of directors.

1-31 (2) "Commission" means the Texas Commission on
 1-32 Environmental Quality.

1-33 (3) "Director" means a board member.

1-34 (4) "District" means the Montgomery County Municipal
 1-35 Utility District No. 198.

1-36 Sec. 7906A.0102. NATURE OF DISTRICT. The district is a
 1-37 municipal utility district created under Section 59, Article XVI,
 1-38 Texas Constitution.

1-39 Sec. 7906A.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-40 REQUIRED. The temporary directors shall hold an election to
 1-41 confirm the creation of the district and to elect five permanent
 1-42 directors as provided by Section 49.102, Water Code.

1-43 Sec. 7906A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-44 temporary directors may not hold an election under Section
 1-45 7906A.0103 until each municipality in whose corporate limits or
 1-46 extraterritorial jurisdiction the district is located has
 1-47 consented by ordinance or resolution to the creation of the
 1-48 district and to the inclusion of land in the district.

1-49 Sec. 7906A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-50 (a) The district is created to serve a public purpose and benefit.

1-51 (b) The district is created to accomplish the purposes of:

1-52 (1) a municipal utility district as provided by
 1-53 general law and Section 59, Article XVI, Texas Constitution; and

1-54 (2) Section 52, Article III, Texas Constitution, that
 1-55 relate to the construction, acquisition, improvement, operation,
 1-56 or maintenance of macadamized, graveled, or paved roads, or
 1-57 improvements, including storm drainage, in aid of those roads.

1-58 Sec. 7906A.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-59 district is initially composed of the territory described by
 1-60 Section 2 of the Act enacting this chapter.

1-61 (b) The boundaries and field notes contained in Section 2 of
 1-62 the Act enacting this chapter form a closure. A mistake made in the
 1-63 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:

2-2 (1) organization, existence, or validity;

2-3 (2) right to issue any type of bond for the purposes
 2-4 for which the district is created or to pay the principal of and
 2-5 interest on a bond;

2-6 (3) right to impose a tax; or

2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 7906A.0201. GOVERNING BODY; TERMS. (a) The district
 2-10 is governed by a board of five elected directors.

2-11 (b) Except as provided by Section 7906A.0202, directors
 2-12 serve staggered four-year terms.

2-13 Sec. 7906A.0202. TEMPORARY DIRECTORS. (a) On or after the
 2-14 effective date of the Act enacting this chapter, the owner or owners
 2-15 of a majority of the assessed value of the real property in the
 2-16 district may submit a petition to the commission requesting that
 2-17 the commission appoint as temporary directors the five persons
 2-18 named in the petition. The commission shall appoint as temporary
 2-19 directors the five persons named in the petition.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under
 2-22 Section 7906A.0103; or

2-23 (2) the fourth anniversary of the effective date of
 2-24 the Act enacting this chapter.

2-25 (c) If permanent directors have not been elected under
 2-26 Section 7906A.0103 and the terms of the temporary directors have
 2-27 expired, successor temporary directors shall be appointed or
 2-28 reappointed as provided by Subsection (d) to serve terms that
 2-29 expire on the earlier of:

2-30 (1) the date permanent directors are elected under
 2-31 Section 7906A.0103; or

2-32 (2) the fourth anniversary of the date of the
 2-33 appointment or reappointment.

2-34 (d) If Subsection (c) applies, the owner or owners of a
 2-35 majority of the assessed value of the real property in the district
 2-36 may submit a petition to the commission requesting that the
 2-37 commission appoint as successor temporary directors the five
 2-38 persons named in the petition. The commission shall appoint as
 2-39 successor temporary directors the five persons named in the
 2-40 petition.

2-41 SUBCHAPTER C. POWERS AND DUTIES

2-42 Sec. 7906A.0301. GENERAL POWERS AND DUTIES. The district
 2-43 has the powers and duties necessary to accomplish the purposes for
 2-44 which the district is created.

2-45 Sec. 7906A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-46 DUTIES. The district has the powers and duties provided by the
 2-47 general law of this state, including Chapters 49 and 54, Water Code,
 2-48 applicable to municipal utility districts created under Section 59,
 2-49 Article XVI, Texas Constitution.

2-50 Sec. 7906A.0303. AUTHORITY FOR ROAD PROJECTS. Under
 2-51 Section 52, Article III, Texas Constitution, the district may
 2-52 design, acquire, construct, finance, issue bonds for, improve,
 2-53 operate, maintain, and convey to this state, a county, or a
 2-54 municipality for operation and maintenance macadamized, graveled,
 2-55 or paved roads, or improvements, including storm drainage, in aid
 2-56 of those roads.

2-57 Sec. 7906A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-58 road project must meet all applicable construction standards,
 2-59 zoning and subdivision requirements, and regulations of each
 2-60 municipality in whose corporate limits or extraterritorial
 2-61 jurisdiction the road project is located.

2-62 (b) If a road project is not located in the corporate limits
 2-63 or extraterritorial jurisdiction of a municipality, the road
 2-64 project must meet all applicable construction standards,
 2-65 subdivision requirements, and regulations of each county in which
 2-66 the road project is located.

2-67 (c) If the state will maintain and operate the road, the
 2-68 Texas Transportation Commission must approve the plans and
 2-69 specifications of the road project.

3-1 Sec. 7906A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
3-2 ORDINANCE OR RESOLUTION. The district shall comply with all
3-3 applicable requirements of any ordinance or resolution that is
3-4 adopted under Section 54.016 or 54.0165, Water Code, and that
3-5 consents to the creation of the district or to the inclusion of land
3-6 in the district.

3-7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-8 Sec. 7906A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-9 The district may issue, without an election, bonds and other
3-10 obligations secured by:

3-11 (1) revenue other than ad valorem taxes; or
3-12 (2) contract payments described by Section
3-13 7906A.0403.

3-14 (b) The district must hold an election in the manner
3-15 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-16 before the district may impose an ad valorem tax or issue bonds
3-17 payable from ad valorem taxes.

3-18 (c) The district may not issue bonds payable from ad valorem
3-19 taxes to finance a road project unless the issuance is approved by a
3-20 vote of a two-thirds majority of the district voters voting at an
3-21 election held for that purpose.

3-22 Sec. 7906A.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-23 authorized at an election held under Section 7906A.0401, the
3-24 district may impose an operation and maintenance tax on taxable
3-25 property in the district in accordance with Section 49.107, Water
3-26 Code.

3-27 (b) The board shall determine the tax rate. The rate may not
3-28 exceed the rate approved at the election.

3-29 Sec. 7906A.0403. CONTRACT TAXES. (a) In accordance with
3-30 Section 49.108, Water Code, the district may impose a tax other than
3-31 an operation and maintenance tax and use the revenue derived from
3-32 the tax to make payments under a contract after the provisions of
3-33 the contract have been approved by a majority of the district voters
3-34 voting at an election held for that purpose.

3-35 (b) A contract approved by the district voters may contain a
3-36 provision stating that the contract may be modified or amended by
3-37 the board without further voter approval.

3-38 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-39 Sec. 7906A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-40 OBLIGATIONS. The district may issue bonds or other obligations
3-41 payable wholly or partly from ad valorem taxes, impact fees,
3-42 revenue, contract payments, grants, or other district money, or any
3-43 combination of those sources, to pay for any authorized district
3-44 purpose.

3-45 Sec. 7906A.0502. TAXES FOR BONDS. At the time the district
3-46 issues bonds payable wholly or partly from ad valorem taxes, the
3-47 board shall provide for the annual imposition of a continuing
3-48 direct ad valorem tax, without limit as to rate or amount, while all
3-49 or part of the bonds are outstanding as required and in the manner
3-50 provided by Sections 54.601 and 54.602, Water Code.

3-51 Sec. 7906A.0503. BONDS FOR ROAD PROJECTS. At the time of
3-52 issuance, the total principal amount of bonds or other obligations
3-53 issued or incurred to finance road projects and payable from ad
3-54 valorem taxes may not exceed one-fourth of the assessed value of the
3-55 real property in the district.

3-56 SECTION 2. The Montgomery County Municipal Utility District
3-57 No. 198 initially includes all the territory contained in the
3-58 following area:

3-59 Being a 534.5 acre (23,283,437 square feet) tract situated in
3-60 the Walker County School Land Survey, Abstract No. 494, and the
3-61 William Wills Survey, Abstract No. 594, both in Montgomery County,
3-62 Texas, being a portion of a called 1,778.511 acre tract conveyed to
3-63 FM 242, Limited, by deed recorded in Clerk's File No. 2003-155376,
3-64 Montgomery County Official Public Records of Real Property; said
3-65 534.5 acre (23,283,437 square feet) tract being more particularly
3-66 described as follows with all bearings being based on called
3-67 bearings recorded under said Clerk's File No. 2003-155376,
3-68 Montgomery County Official Public Records of Real Property:

3-69 BEGINNING at the northerly northeast corner of said called

4-1 1,778.511 acre tract;
 4-2 THENCE, South 03°03'02" East, along the northerly east line of
 4-3 said called 1,778.511 acre tract, 3,692.24 feet to an angle point in
 4-4 said northerly east line of said called 1,778.511 acre tract;
 4-5 THENCE, South 03°09'55" East, continuing along said northerly
 4-6 east line of said called 1,778.511 acre tract, 2,382.96 feet to an
 4-7 interior corner of said called 1,778.511 acre tract;
 4-8 THENCE, North 87°14'11" East, along an easterly north line of
 4-9 said called 1,778.511 acre tract, 567.51 feet to the beginning of a
 4-10 curve to the left, being 50 feet offset from the City of Splendora
 4-11 Extraterritorial Jurisdiction (E.T.J.) limit as recorded in
 4-12 Montgomery County Court Cause No. 04-12-10629-CV;
 4-13 THENCE, along said curve to the left in a southeasterly
 4-14 direction, 50 feet offset from said City of Splendora
 4-15 Extraterritorial Jurisdiction (E.T.J.) limit as recorded in said
 4-16 Montgomery County Court Cause No. 04-12-10629-CV, with a radius of
 4-17 2,465.67 feet, a central angle of 20°24'23", an arc length of 878.17
 4-18 feet, and a chord bearing South 24°57'41" East, 873.53 feet to the
 4-19 south line of said called 1,778.511 acre tract, being 50 feet offset
 4-20 from said City of Splendora Extraterritorial Jurisdiction (E.T.J.)
 4-21 limit as recorded in said Montgomery County Court Cause
 4-22 No. 04-12-10629-CV;
 4-23 THENCE, along said south line of said called 1,778.511 acre
 4-24 tract, the following six (6) courses and distances:
 4-25 1. South 86°35'26" West, 892.11 feet to a point for corner;
 4-26 2. South 87°00'04" West, 2,049.85 feet to a point for corner;
 4-27 3. South 87°02'35" West, 1,773.11 feet to a point for corner;
 4-28 4. South 86°57'43" West, 1,735.80 feet to a point for corner;
 4-29 5. North 02°56'52" West, 3.66 feet to a point for corner;
 4-30 6. South 86°58'03" West, 1,031.86 feet to a point for corner;
 4-31 THENCE, North 40°40'17" East, over and across said called
 4-32 1,778.511 acre tract, 9,526.68 feet to the POINT OF BEGINNING,
 4-33 CONTAINING 534.5 acres (23,283,437 square feet) of land in
 4-34 Montgomery County, Texas.
 4-35 SECTION 3. (a) The legal notice of the intention to
 4-36 introduce this Act, setting forth the general substance of this
 4-37 Act, has been published as provided by law, and the notice and a
 4-38 copy of this Act have been furnished to all persons, agencies,
 4-39 officials, or entities to which they are required to be furnished
 4-40 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 4-41 Government Code.
 4-42 (b) The governor, one of the required recipients, has
 4-43 submitted the notice and Act to the Texas Commission on
 4-44 Environmental Quality.
 4-45 (c) The Texas Commission on Environmental Quality has filed
 4-46 its recommendations relating to this Act with the governor, the
 4-47 lieutenant governor, and the speaker of the house of
 4-48 representatives within the required time.
 4-49 (d) All requirements of the constitution and laws of this
 4-50 state and the rules and procedures of the legislature with respect
 4-51 to the notice, introduction, and passage of this Act are fulfilled
 4-52 and accomplished.
 4-53 SECTION 4. (a) If this Act does not receive a two-thirds
 4-54 vote of all the members elected to each house, Subchapter C, Chapter
 4-55 7906A, Special District Local Laws Code, as added by Section 1 of
 4-56 this Act, is amended by adding Section 7906A.0306 to read as
 4-57 follows:
 4-58 Sec. 7906A.0306. NO EMINENT DOMAIN POWER. The district may
 4-59 not exercise the power of eminent domain.
 4-60 (b) This section is not intended to be an expression of a
 4-61 legislative interpretation of the requirements of Section 17(c),
 4-62 Article I, Texas Constitution.
 4-63 SECTION 5. This Act takes effect immediately if it receives
 4-64 a vote of two-thirds of all the members elected to each house, as
 4-65 provided by Section 39, Article III, Texas Constitution. If this
 4-66 Act does not receive the vote necessary for immediate effect, this
 4-67 Act takes effect September 1, 2021.

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