

1-1 By: Creighton S.B. No. 2596  
 1-2 (In the Senate - Filed April 5, 2023; April 11, 2023, read  
 1-3 first time and referred to Committee on Local Government;  
 1-4 April 28, 2023, reported favorably by the following vote: Yeas 7,  
 1-5 Nays 0; April 28, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker			X	
1-14 Paxton	X			
1-15 West	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. 236; 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 7968A to read as follows:

1-26 CHAPTER 7968A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT  
 1-27 NO. 236

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 7968A.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. 236.

1-36 Sec. 7968A.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. 7968A.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. 7968A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-44 temporary directors may not hold an election under Section  
 1-45 7968A.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 as required by  
 1-49 applicable law.

1-50 Sec. 7968A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  
 1-51 (a) The district is created to serve a public purpose and benefit.

1-52 (b) The district is created to accomplish the purposes of:

1-53 (1) a municipal utility district as provided by  
 1-54 general law and Section 59, Article XVI, Texas Constitution; and

1-55 (2) Section 52, Article III, Texas Constitution, that  
 1-56 relate to the construction, acquisition, improvement, operation,  
 1-57 or maintenance of macadamized, graveled, or paved roads, or  
 1-58 improvements, including storm drainage, in aid of those roads.

1-59 Sec. 7968A.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-60 district is initially composed of the territory described by  
 1-61 Section 2 of the Act enacting this chapter.

2-1 (b) The boundaries and field notes contained in Section 2 of  
 2-2 the Act enacting this chapter form a closure. A mistake made in the  
 2-3 field notes or in copying the field notes in the legislative process  
 2-4 does not affect the district's:

- 2-5 (1) organization, existence, or validity;
- 2-6 (2) right to issue any type of bond for the purposes  
 2-7 for which the district is created or to pay the principal of and  
 2-8 interest on a bond;
- 2-9 (3) right to impose a tax; or
- 2-10 (4) legality or operation.

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 7968A.0201. GOVERNING BODY; TERMS. (a) The district  
 2-13 is governed by a board of five elected directors.

2-14 (b) Except as provided by Section 7968A.0202, directors  
 2-15 serve staggered four-year terms.

2-16 Sec. 7968A.0202. TEMPORARY DIRECTORS. (a) On or after the  
 2-17 effective date of the Act enacting this chapter, the owner or owners  
 2-18 of a majority of the assessed value of the real property in the  
 2-19 district may submit a petition to the commission requesting that  
 2-20 the commission appoint as temporary directors the five persons  
 2-21 named in the petition. The commission shall appoint as temporary  
 2-22 directors the five persons named in the petition.

2-23 (b) Temporary directors serve until the earlier of:

- 2-24 (1) the date permanent directors are elected under  
 2-25 Section 7968A.0103; or
- 2-26 (2) the fourth anniversary of the effective date of  
 2-27 the Act enacting this chapter.

2-28 (c) If permanent directors have not been elected under  
 2-29 Section 7968A.0103 and the terms of the temporary directors have  
 2-30 expired, successor temporary directors shall be appointed or  
 2-31 reappointed as provided by Subsection (d) to serve terms that  
 2-32 expire on the earlier of:

- 2-33 (1) the date permanent directors are elected under  
 2-34 Section 7968A.0103; or
- 2-35 (2) the fourth anniversary of the date of the  
 2-36 appointment or reappointment.

2-37 (d) If Subsection (c) applies, the owner or owners of a  
 2-38 majority of the assessed value of the real property in the district  
 2-39 may submit a petition to the commission requesting that the  
 2-40 commission appoint as successor temporary directors the five  
 2-41 persons named in the petition. The commission shall appoint as  
 2-42 successor temporary directors the five persons named in the  
 2-43 petition.

2-44 SUBCHAPTER C. POWERS AND DUTIES

2-45 Sec. 7968A.0301. GENERAL POWERS AND DUTIES. The district  
 2-46 has the powers and duties necessary to accomplish the purposes for  
 2-47 which the district is created.

2-48 Sec. 7968A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-49 DUTIES. The district has the powers and duties provided by the  
 2-50 general law of this state, including Chapters 49 and 54, Water Code,  
 2-51 applicable to municipal utility districts created under Section 59,  
 2-52 Article XVI, Texas Constitution.

2-53 Sec. 7968A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
 2-54 Section 52, Article III, Texas Constitution, the district may  
 2-55 design, acquire, construct, finance, issue bonds for, improve,  
 2-56 operate, maintain, and convey to this state, a county, or a  
 2-57 municipality for operation and maintenance macadamized, graveled,  
 2-58 or paved roads, or improvements, including storm drainage, in aid  
 2-59 of those roads.

2-60 Sec. 7968A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-61 road project must meet all applicable construction standards,  
 2-62 zoning and subdivision requirements, and regulations of each  
 2-63 municipality in whose corporate limits or extraterritorial  
 2-64 jurisdiction the road project is located.

2-65 (b) If a road project is not located in the corporate limits  
 2-66 or extraterritorial jurisdiction of a municipality, the road  
 2-67 project must meet all applicable construction standards,  
 2-68 subdivision requirements, and regulations of each county in which  
 2-69 the road project is located.

3-1 (c) If the state will maintain and operate the road, the  
3-2 Texas Transportation Commission must approve the plans and  
3-3 specifications of the road project.

3-4 Sec. 7968A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
3-5 ORDINANCE OR RESOLUTION. The district shall comply with all  
3-6 applicable requirements of any ordinance or resolution that is  
3-7 adopted under Section 54.016 or 54.0165, Water Code, and that  
3-8 consents to the creation of the district or to the inclusion of land  
3-9 in the district.

3-10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-11 Sec. 7968A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
3-12 The district may issue, without an election, bonds and other  
3-13 obligations secured by:

- 3-14 (1) revenue other than ad valorem taxes; or
- 3-15 (2) contract payments described by Section  
3-16 7968A.0403.

3-17 (b) The district must hold an election in the manner  
3-18 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-19 before the district may impose an ad valorem tax or issue bonds  
3-20 payable from ad valorem taxes.

3-21 (c) The district may not issue bonds payable from ad valorem  
3-22 taxes to finance a road project unless the issuance is approved by a  
3-23 vote of a two-thirds majority of the district voters voting at an  
3-24 election held for that purpose.

3-25 Sec. 7968A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
3-26 authorized at an election held under Section 7968A.0401, the  
3-27 district may impose an operation and maintenance tax on taxable  
3-28 property in the district in accordance with Section 49.107, Water  
3-29 Code.

3-30 (b) The board shall determine the tax rate. The rate may not  
3-31 exceed the rate approved at the election.

3-32 Sec. 7968A.0403. CONTRACT TAXES. (a) In accordance with  
3-33 Section 49.108, Water Code, the district may impose a tax other than  
3-34 an operation and maintenance tax and use the revenue derived from  
3-35 the tax to make payments under a contract after the provisions of  
3-36 the contract have been approved by a majority of the district voters  
3-37 voting at an election held for that purpose.

3-38 (b) A contract approved by the district voters may contain a  
3-39 provision stating that the contract may be modified or amended by  
3-40 the board without further voter approval.

3-41 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-42 Sec. 7968A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
3-43 OBLIGATIONS. The district may issue bonds or other obligations  
3-44 payable wholly or partly from ad valorem taxes, impact fees,  
3-45 revenue, contract payments, grants, or other district money, or any  
3-46 combination of those sources, to pay for any authorized district  
3-47 purpose.

3-48 Sec. 7968A.0502. TAXES FOR BONDS. At the time the district  
3-49 issues bonds payable wholly or partly from ad valorem taxes, the  
3-50 board shall provide for the annual imposition of a continuing  
3-51 direct ad valorem tax, without limit as to rate or amount, while all  
3-52 or part of the bonds are outstanding as required and in the manner  
3-53 provided by Sections 54.601 and 54.602, Water Code.

3-54 Sec. 7968A.0503. BONDS FOR ROAD PROJECTS. At the time of  
3-55 issuance, the total principal amount of bonds or other obligations  
3-56 issued or incurred to finance road projects and payable from ad  
3-57 valorem taxes may not exceed one-fourth of the assessed value of the  
3-58 real property in the district.

3-59 SECTION 2. Montgomery County Municipal Utility District  
3-60 No. 236 initially includes all the territory contained in the  
3-61 following area:

3-62 A 231.1123 ACRE TRACT OF LAND IN THE S. TERRY SURVEY, ABSTRACT  
3-63 NO. 564, MONTGOMERY COUNTY, TEXAS, BEING OUT OF AND A PART OF A  
3-64 CALLED 1,702.2 ACRE TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF  
3-65 1992 GUNIGANTI CREDIT SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY  
3-66 TRUSTS AS RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NUMBER  
3-67 (M.C.C.F. NO.) 2019097078 (DESCRIBED UNDER M.C.C.F. NO.  
3-68 2012127211), THE SAID 231.1123 ACRE TRACT BEING MORE PARTICULARLY  
3-69 DESCRIBED BY METES AND BOUNDS AS FOLLOWS, (WITH BEARINGS BASED ON

4-1 THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY  
4-2 GPS MEASUREMENTS):

4-3 COMMENCING at a 3/4-inch iron rod found marking an angle in  
4-4 the west line of said 1,702.2 acre tract, and the west line of a  
4-5 called 150.00 acre tract, conveyed to TC LB Royal Pines, LP as  
4-6 recorded under M.C.C.F. NO. 2021171601;

4-7 THENCE, North 03°35'35" West, along the west line of said  
4-8 1,702.2 acre tract, and said 150.00 acre tract, passing at a  
4-9 distance of 10.54 feet, a found 5/8" iron rod with cap stamped  
4-10 "TERRA", passing at a distance of 874 feet, the approximate  
4-11 centerline of White Oak Creek, being the northwest corner of the  
4-12 said 150.00 acre tract, continuing along the west line of said  
4-13 1,702.2 acre tract a total distance of 4,572.60 feet, to a 1/2" iron  
4-14 rod found marking the northeast corner of Lot 6, Block 3, White Oak  
4-15 Crossing Sec 4 (WOC4), map or plat thereof recorded under Cabinet  
4-16 (Cab.) Z, Sheet (Sht.) 3640 Montgomery County Map Records  
4-17 (M.C.M.R.), and an interior corner of said 1,702.2 acre tract, and  
4-18 the herein described tract;

4-19 THENCE, South 87°08'26" West, along the north lines of said  
4-20 WOC4, and White Oak Crossing Sec 3 (WOC3), map or plat thereof  
4-21 recorded under Cab. Z, Sht. 2286 M.C.M.R., common with the  
4-22 southerly line of said 1,702.2 acre tract and the herein described  
4-23 tract, a distance of 2,132.46 feet, to a 5/8" iron rod with cap  
4-24 stamped "HOVIS" found marking the northwest corner of Lot 19, Block  
4-25 5, of said WOC3;

4-26 THENCE, North 07°21'12" West, departing said common line,  
4-27 over and across said WOC3, A 19.14 acre tract conveyed to Prabhakar  
4-28 R. Guniganti as recorded under M.C.C.F. NO. 2016114018, and said  
4-29 1,702.2 acre tract, a distance of 4,946.84 feet, to the west line of  
4-30 said 1,702.2 acre tract marking the southwest corner, and POINT OF  
4-31 BEGINNING of the herein described tract;

4-32 THENCE, North 02°19'57" West, along the west line of said  
4-33 1,702.2 acre tract, passing at a distance of 7.13 feet the southerly  
4-34 Right-Of-Way (R.O.W.) line of State Highway 99 (A.K.A. Grand  
4-35 Parkway), as described in the agreed final judgement recorded under  
4-36 M.C.C.F. NO. 2022115684, passing at a distance of 407.22 feet, the  
4-37 northerly R.O.W. line of said State Highway 99, continuing a total  
4-38 distance of 2,694.43 feet, to the northwest corner of said 1,702.2  
4-39 acre tract and the herein described tract;

4-40 THENCE, North 86°56'15" East, along the northerly line of said  
4-41 1,702.2 acre tract, a distance of 2,313.87 feet, to an angle in the  
4-42 north line of said 1,702.2 acre tract and the herein described  
4-43 tract;

4-44 THENCE, North 88°18'37" East, along the northerly line of said  
4-45 1,702.2 acre tract, a distance of 84.62 feet, to the northeast  
4-46 corner of the herein described tract;

4-47 THENCE, over and across said 1,702.2 acre tract, the  
4-48 following twenty nine (29) courses and distances:

4-49 South 01°34'11" East, a distance of 523.07 feet, to an angle  
4-50 in the east line of the herein described tract;

4-51 South 88°20'05" East, a distance of 320.48 feet, to an angle  
4-52 in the east line of the herein described tract;

4-53 South 72°57'20" East, a distance of 524.04 feet, to an angle  
4-54 in the east line of the herein described tract;

4-55 South 55°07'09" East, a distance of 242.85 feet, to an angle  
4-56 in the east line of the herein described tract;

4-57 South 26°44'17" East, a distance of 274.37 feet, to an angle  
4-58 in the east line of the herein described tract;

4-59 South 34°39'23" East, a distance of 466.61 feet, to an angle  
4-60 in the east line of the herein described tract;

4-61 South 29°43'18" East, a distance of 94.04 feet, to an angle in  
4-62 the east line of the herein described tract;

4-63 South 03°45'41" West, a distance of 196.73 feet, to an angle  
4-64 in the east line of the herein described tract;

4-65 South 27°52'41" East, a distance of 382.54 feet, to an angle  
4-66 in the east line of the herein described tract;

4-67 South 29°14'09" East, a distance of 98.06 feet, to an angle in  
4-68 the east line of the herein described tract;

4-69 South 18°42'01" West, a distance of 156.58 feet, to an angle

5-1 in the east line of the herein described tract;  
 5-2 South 45°05'06" West, a distance of 138.46 feet, to an angle  
 5-3 in the east line of the herein described tract;  
 5-4 South 72°00'22" West, a distance of 171.11 feet, to an angle  
 5-5 in the east line of the herein described tract;  
 5-6 South 64°09'37" West, a distance of 133.85 feet, to the  
 5-7 beginning of a curve to the right;  
 5-8 In a southwesterly direction, along said curve to the right,  
 5-9 having a radius of 3,014.66 feet, a central angle of 01°26'03"  
 5-10 (chord bears South 64°04'47" West, 75.45 feet) and an arc distance  
 5-11 of 75.45 feet, to the beginning of a reverse curve to the left;  
 5-12 In a southwesterly direction, along said reverse curve to the  
 5-13 left, having a radius of 100.00 feet, a central angle of 13°17'38"  
 5-14 (chord bears South 57°47'21" West, 23.15 feet) and an arc distance  
 5-15 of 23.20 feet, to the beginning of a reverse curve to the right;  
 5-16 In a southwesterly direction, along said reverse curve to the  
 5-17 right, having a radius of 500.00 feet, a central angle of 12°42'15"  
 5-18 (chord bears South 57°29'40" West, 110.64 feet) and an arc distance  
 5-19 of 110.86 feet, to the beginning of a reverse curve to the left;  
 5-20 In a southwesterly direction, along said reverse curve to the  
 5-21 left, having a radius of 100.00 feet, a central angle of 07°23'59"  
 5-22 (chord bears South 60°08'48" West, 12.91 feet) and an arc distance  
 5-23 of 12.92 feet, to the beginning of a reverse curve to the right;  
 5-24 In a southwesterly direction, along said reverse curve to the  
 5-25 right, having a radius of 100.00 feet, a central angle of 23°30'02"  
 5-26 (chord bears South 68°11'50" West, 40.73 feet) and an arc distance  
 5-27 of 41.02 feet, to the point of tangency;  
 5-28 South 79°56'51" West, a distance of 52.57 feet, to the  
 5-29 beginning of a curve to the right;  
 5-30 In a westerly direction, along said curve to the right,  
 5-31 having a radius of 100.00 feet, a central angle of 24°12'11" (chord  
 5-32 bears North 87°57'04" West, 41.93 feet) and an arc distance of 42.24  
 5-33 feet, to the point of compound curvature;  
 5-34 In a northwesterly direction, along said compound curve to  
 5-35 the right, having a radius of 500.00 feet, a central angle of  
 5-36 01°07'37" (chord bears North 75°17'10" West, 9.83 feet) and an arc  
 5-37 distance of 9.83 feet, to the point of reverse curvature;  
 5-38 In a southwesterly direction, along said reverse curve to the  
 5-39 left, having a radius of 100.00 feet, a central angle of 59°15'48"  
 5-40 (chord bears South 75°38'44" West, 98.88 feet) and an arc distance  
 5-41 of 103.43 feet, to the point of tangency;  
 5-42 South 46°00'50" West, a distance of 240.66 feet, to an angle  
 5-43 in the southerly line of the herein described tract;  
 5-44 North 47°45'22" West, a distance of 351.90 feet, to the  
 5-45 beginning of a curve to the right;  
 5-46 In a northwesterly direction, along said curve to the right,  
 5-47 having a radius of 1,250.00 feet, a central angle of 01°33'58"  
 5-48 (chord bears North 46°58'23" West, 34.17 feet) and an arc distance  
 5-49 of 34.17 feet, to the point of tangency;  
 5-50 South 53°50'57" West, a distance of 302.10 feet, to the  
 5-51 beginning of a curve to the left;  
 5-52 In a southwesterly direction, along said curve to the left,  
 5-53 having a radius of 2,000.00 feet, a central angle of 17°35'11"  
 5-54 (chord bears South 45°03'21" West, 611.48 feet) and an arc distance  
 5-55 of 613.89 feet, to the point of tangency;  
 5-56 South 36°15'45" West, a distance of 406.05 feet, to an angle  
 5-57 in the southerly line of the herein described tract;  
 5-58 THENCE, North 68°09'29" West, a distance of 1,868.05 feet, to  
 5-59 the POINT OF BEGINNING, and containing 231.1123 acres of land.  
 5-60 SECTION 3. (a) The legal notice of the intention to  
 5-61 introduce this Act, setting forth the general substance of this  
 5-62 Act, has been published as provided by law, and the notice and a  
 5-63 copy of this Act have been furnished to all persons, agencies,  
 5-64 officials, or entities to which they are required to be furnished  
 5-65 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 5-66 Government Code.  
 5-67 (b) The governor, one of the required recipients, has  
 5-68 submitted the notice and Act to the Texas Commission on  
 5-69 Environmental Quality.

6-1 (c) The Texas Commission on Environmental Quality has filed  
6-2 its recommendations relating to this Act with the governor, the  
6-3 lieutenant governor, and the speaker of the house of  
6-4 representatives within the required time.

6-5 (d) All requirements of the constitution and laws of this  
6-6 state and the rules and procedures of the legislature with respect  
6-7 to the notice, introduction, and passage of this Act are fulfilled  
6-8 and accomplished.

6-9 SECTION 4. (a) If this Act does not receive a two-thirds  
6-10 vote of all the members elected to each house, Subchapter C, Chapter  
6-11 7968A, Special District Local Laws Code, as added by Section 1 of  
6-12 this Act, is amended by adding Section 7968A.0306 to read as  
6-13 follows:

6-14 Sec. 7968A.0306. NO EMINENT DOMAIN POWER. The district may  
6-15 not exercise the power of eminent domain.

6-16 (b) This section is not intended to be an expression of a  
6-17 legislative interpretation of the requirements of Section 17(c),  
6-18 Article I, Texas Constitution.

6-19 SECTION 5. This Act takes effect immediately if it receives  
6-20 a vote of two-thirds of all the members elected to each house, as  
6-21 provided by Section 39, Article III, Texas Constitution. If this  
6-22 Act does not receive the vote necessary for immediate effect, this  
6-23 Act takes effect September 1, 2023.

6-24

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