

1-1 By: Creighton S.B. No. 2163  
 1-2 (In the Senate - Filed April 25, 2021; April 1, 2021, read  
 1-3 first time and referred to Committee on Local Government;  
 1-4 April 27, 2021, reported favorably by the following vote: Yeas 8,  
 1-5 Nays 0; April 27, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9			X	
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	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. 199; 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 8499 to read as follows:

1-26 CHAPTER 8499. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 199

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8499.0101. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "Commission" means the Texas Commission on  
 1-31 Environmental Quality.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the Montgomery County Municipal  
 1-34 Utility District No. 199.

1-35 Sec. 8499.0102. NATURE OF DISTRICT. The district is a  
 1-36 municipal utility district created under Section 59, Article XVI,  
 1-37 Texas Constitution.

1-38 Sec. 8499.0103. CONFIRMATION AND DIRECTORS' ELECTION  
 1-39 REQUIRED. The temporary directors shall hold an election to  
 1-40 confirm the creation of the district and to elect five permanent  
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 8499.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 8499.0103 until each municipality in whose corporate limits or  
 1-45 extraterritorial jurisdiction the district is located has  
 1-46 consented by ordinance or resolution to the creation of the  
 1-47 district and to the inclusion of land in the district.

1-48 Sec. 8499.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by  
 1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that  
 1-54 relate to the construction, acquisition, improvement, operation,  
 1-55 or maintenance of macadamized, graveled, or paved roads, or  
 1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 8499.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-58 district is initially composed of the territory described by  
 1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of  
 1-61 the Act enacting this chapter form a closure. A mistake made in the

2-1 field notes or in copying the field notes in the legislative process  
2-2 does not affect the district's:

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

2-9 SUBCHAPTER B. BOARD OF DIRECTORS

2-10 Sec. 8499.0201. GOVERNING BODY; TERMS. (a) The district is  
2-11 governed by a board of five elected directors.

2-12 (b) Except as provided by Section 8499.0202, directors  
2-13 serve staggered four-year terms.

2-14 Sec. 8499.0202. TEMPORARY DIRECTORS. (a) The temporary  
2-15 board consists of:

- 2-16 (1) Joshua Kelly Hancock;
- 2-17 (2) Santina Daily;
- 2-18 (3) Linda Perez;
- 2-19 (4) Sue Robinson; and
- 2-20 (5) Quency D. Perkins.

2-21 (b) Temporary directors serve until the earlier of:

- 2-22 (1) the date permanent directors are elected under  
2-23 Section 8499.0103; or
- 2-24 (2) September 1, 2025.

2-25 (c) If permanent directors have not been elected under  
2-26 Section 8499.0103 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 8499.0103; 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. 8499.0301. 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. 8499.0302. 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. 8499.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
2-51 52, Article III, Texas Constitution, the district may design,  
2-52 acquire, construct, finance, issue bonds for, improve, operate,  
2-53 maintain, and convey to this state, a county, or a municipality for  
2-54 operation and maintenance macadamized, graveled, or paved roads, or  
2-55 improvements, including storm drainage, in aid of those roads.

2-56 Sec. 8499.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
2-57 road project must meet all applicable construction standards,  
2-58 zoning and subdivision requirements, and regulations of each  
2-59 municipality in whose corporate limits or extraterritorial  
2-60 jurisdiction the road project is located.

2-61 (b) If a road project is not located in the corporate limits  
2-62 or extraterritorial jurisdiction of a municipality, the road  
2-63 project must meet all applicable construction standards,  
2-64 subdivision requirements, and regulations of each county in which  
2-65 the road project is located.

2-66 (c) If the state will maintain and operate the road, the  
2-67 Texas Transportation Commission must approve the plans and  
2-68 specifications of the road project.

2-69 Sec. 8499.0305. COMPLIANCE WITH MUNICIPAL CONSENT

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

3-6 Sec. 8499.0306. DIVISION OF DISTRICT. (a) The district may  
3-7 be divided into two or more new districts only if the district:

3-8 (1) has no outstanding bonded debt; and

3-9 (2) is not imposing ad valorem taxes.

3-10 (b) This chapter applies to any new district created by the  
3-11 division of the district, and a new district has all the powers and  
3-12 duties of the district.

3-13 (c) A new district created by the division of the district  
3-14 may not, at the time the new district is created, contain any land  
3-15 outside the area described by Section 2 of the Act enacting this  
3-16 chapter.

3-17 (d) The board, on its own motion or on receipt of a petition  
3-18 signed by the owner or owners of a majority of the assessed value of  
3-19 the real property in the district, may adopt an order dividing the  
3-20 district.

3-21 (e) The board may adopt an order dividing the district  
3-22 before or after the date the board holds an election under Section  
3-23 8499.0103 to confirm the district's creation.

3-24 (f) An order dividing the district shall:

3-25 (1) name each new district;

3-26 (2) include the metes and bounds description of the  
3-27 territory of each new district;

3-28 (3) appoint temporary directors for each new district;

3-29 and

3-30 (4) provide for the division of assets and liabilities  
3-31 between the new districts.

3-32 (g) On or before the 30th day after the date of adoption of  
3-33 an order dividing the district, the district shall file the order  
3-34 with the commission and record the order in the real property  
3-35 records of each county in which the district is located.

3-36 (h) Any new district created by the division of the district  
3-37 shall hold a confirmation and directors' election as required by  
3-38 Section 8499.0103. If the voters of a new district do not confirm  
3-39 the creation of the new district, the assets, obligations,  
3-40 territory, and governance of the new district revert to the  
3-41 original district.

3-42 (i) If the creation of the new district is confirmed, the  
3-43 new district shall provide the election date and results to the  
3-44 commission.

3-45 (j) Any new district created by the division of the district  
3-46 must hold an election as required by this chapter to obtain voter  
3-47 approval before the district may impose a maintenance tax or issue  
3-48 bonds payable wholly or partly from ad valorem taxes.

3-49 (k) Municipal consent to the creation of the district and to  
3-50 the inclusion of land in the district granted under Section  
3-51 8499.0104 acts as municipal consent to the creation of any new  
3-52 district created by the division of the district and to the  
3-53 inclusion of land in the new district.

3-54 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-55 Sec. 8499.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
3-56 The district may issue, without an election, bonds and other  
3-57 obligations secured by:

3-58 (1) revenue other than ad valorem taxes; or

3-59 (2) contract payments described by Section 8499.0403.

3-60 (b) The district must hold an election in the manner  
3-61 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-62 before the district may impose an ad valorem tax or issue bonds  
3-63 payable from ad valorem taxes.

3-64 (c) The district may not issue bonds payable from ad valorem  
3-65 taxes to finance a road project unless the issuance is approved by a  
3-66 vote of a two-thirds majority of the district voters voting at an  
3-67 election held for that purpose.

3-68 Sec. 8499.0402. OPERATION AND MAINTENANCE TAX. (a) If  
3-69 authorized at an election held under Section 8499.0401, the

4-1 district may impose an operation and maintenance tax on taxable  
4-2 property in the district in accordance with Section 49.107, Water  
4-3 Code.

4-4 (b) The board shall determine the tax rate. The rate may not  
4-5 exceed the rate approved at the election.

4-6 Sec. 8499.0403. CONTRACT TAXES. (a) In accordance with  
4-7 Section 49.108, Water Code, the district may impose a tax other than  
4-8 an operation and maintenance tax and use the revenue derived from  
4-9 the tax to make payments under a contract after the provisions of  
4-10 the contract have been approved by a majority of the district voters  
4-11 voting at an election held for that purpose.

4-12 (b) A contract approved by the district voters may contain a  
4-13 provision stating that the contract may be modified or amended by  
4-14 the board without further voter approval.

4-15 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 8499.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
4-17 OBLIGATIONS. The district may issue bonds or other obligations  
4-18 payable wholly or partly from ad valorem taxes, impact fees,  
4-19 revenue, contract payments, grants, or other district money, or any  
4-20 combination of those sources, to pay for any authorized district  
4-21 purpose.

4-22 Sec. 8499.0502. TAXES FOR BONDS. At the time the district  
4-23 issues bonds payable wholly or partly from ad valorem taxes, the  
4-24 board shall provide for the annual imposition of a continuing  
4-25 direct ad valorem tax, without limit as to rate or amount, while all  
4-26 or part of the bonds are outstanding as required and in the manner  
4-27 provided by Sections 54.601 and 54.602, Water Code.

4-28 Sec. 8499.0503. BONDS FOR ROAD PROJECTS. At the time of  
4-29 issuance, the total principal amount of bonds or other obligations  
4-30 issued or incurred to finance road projects and payable from ad  
4-31 valorem taxes may not exceed one-fourth of the assessed value of the  
4-32 real property in the district.

4-33 SECTION 2. The Montgomery County Municipal Utility District  
4-34 No. 199 initially includes all the territory contained in the  
4-35 following area:

4-36 Being 310.3 acres of land in the Soloman Brown Survey,  
4-37 Abstract 5, Montgomery County, Texas, said 310.3 acres being a  
4-38 portion of a called 40.0202 acre tract described in the deed to  
4-39 James R. Fogarty and Cheryl L. Fogarty by an instrument of record in  
4-40 Document Number 2018005474 of the Official Public Records of  
4-41 Montgomery County, Texas (M.C.O.P.R.), a portion of a called  
4-42 103.1967 acre tract described in the deed to MA Goodson  
4-43 Enterprises, Inc, by an instrument of record in File Number 9401044  
4-44 of the Official Public Records of Real Property of Montgomery  
4-45 County, Texas (M.C.O.P.R.R.P.), a portion of a called 62.5930 acre  
4-46 tract described in the deed to MA Goodson Enterprises, Inc by an  
4-47 instrument of record in File Number 9401047, M.C.O.P.R.R.P., a  
4-48 portion of a called 20 acre tract described in the deed to James R.  
4-49 Fogarty by an instrument of record in File Number 2005-085111,  
4-50 M.C.O.P.R.R.P., all of the remainder of a called 29.881 acre tract  
4-51 described in the deed to James R. Fogarty and Cheryl L. Fogarty by  
4-52 an instrument of record in Document Number 9401042, M.C.O.P.R., all  
4-53 of a called 40.074 acre tract described in the deed to James R.  
4-54 Fogarty by an instrument of record in File Number 2007-035819,  
4-55 M.C.O.P.R.R.P., all a called 16.706 acre tract described in the  
4-56 deed to Seung Teak Yoo and Sood Hee Yoo by an instrument of record in  
4-57 File Number 2007-081356, M.C.O.P.R.R.P., and all of the remainder  
4-58 of a called 61.39 acre tract described in the deed to Christine  
4-59 Lewis-Lyman by an instrument of record in File Number 2000-063284,  
4-60 M.C.O.P.R.R.P., said 310.3 acre tract being more particularly  
4-61 described by metes and bounds as follows (Bearings based on said  
4-62 40.0202 acre tract);

4-63 BEGINNING at the northeast corner of said 29.881-acre tract;  
4-64 Thence, along the east line of said 29.881-acre tract the following  
4-65 two (2) courses:

- 4-66 1. South 01° 07' 23" East, 111.60 feet to a point for corner;
- 4-67 2. South 00° 02' 23" East, 1,418.50 feet to the northeast
- 4-68 corner of a called 2.003-acre tract described in the deed to James
- 4-69 R. Fogarty and Senie Paulette Fogarty by an instrument of record in

5-1 File Number 9721964, M.C.O.P.R.R.P.;

5-2 Thence, along the north and west line of said 2.003-acre tract the

5-3 following three (3) courses:

5-4 1. South 89° 53' 52" West, 310.90 feet to a point for corner;

5-5 2. South 33° 32' 08" East, 263.98 feet to a point for corner;

5-6 3. South 16° 14' 02" West, 185.49 feet to the southwest

5-7 corner of said 2.003 acre tract, same being on the north line of a

5-8 called 52.8273 acre tract described in the deed to John W. Caveness

5-9 and Connie M. Caveness by an instrument of record in File Number

5-10 2000-096833, M.C.O.P.R.R.P.;

5-11 Thence, along the north and west lines of said 52.8273-acre tract

5-12 the following two (2) courses:

5-13 1. North 88° 13' 49" West, 460.67 feet to a point for corner

5-14 on the east line of the aforementioned 103.1967-acre tract;

5-15 2. South 00° 07' 22" East, along the east line of said

5-16 103.1967-acre tract, 854.94 feet the northeast corner of the

5-17 aforementioned 40.0202-acre tract;

5-18 Thence, along the north, and east line of said 40.0202-acre tract

5-19 the following eight (8) courses:

5-20 1. North 89° 59' 04" East, 616.71 feet to a point for corner;

5-21 2. North 00° 11' 41" West, 203.03 feet to a point for corner;

5-22 3. North 89° 59' 04" East, 59.61 feet to a point for corner;

5-23 4. South 00° 02' 44" East, 100.03 feet to a point for corner;

5-24 5. North 88° 12' 49" West, 1.00 feet to a point for corner;

5-25 6. South 00° 11' 41" East, 500.34 feet to a point for corner;

5-26 7. South 00° 16' 14" East, 1,185.29 feet to a point for

5-27 corner;

5-28 8. South 00° 45' 09" West, 228.66 feet to a point for corner;

5-29 Thence, South 66° 54' 29" West, departing the east line of said

5-30 40.0202 acre tract and across said 40.0202 acre tract, the

5-31 aforementioned 103.1967 acre tract, the aforementioned 62.5930

5-32 acre tract, and the aforementioned 20 acre tract, 3,145.13 feet to a

5-33 point for corner on the west line of said 20 acre tract;

5-34 Thence, North 00° 10' 05" West, along the west line of said 20-acre

5-35 tract, 830.64 feet to the northwest corner of said 20 acre tract,

5-36 same being on the west line of the aforementioned 61.39 acre tract;

5-37 Thence, along the west line of said 61.39-acre tract the following

5-38 two (2) courses:

5-39 1. North 00° 10' 05" West, 1,764.87 feet to a point for

5-40 corner;

5-41 2. North 02° 02' 55" East, 942.94 feet to the northwest

5-42 corner of said 61.39-acre tract, same being the southwest corner of

5-43 the aforementioned 16.706-acre tract;

5-44 Thence, along the west and north lines of said 16.706-acre tract the

5-45 following eight (8) courses:

5-46 1. North 00° 44' 18" East, 643.03 feet to a point for corner;

5-47 2. South 89° 51' 13" East, 99.90 feet to a point for corner;

5-48 3. North 00° 44' 18" East, 146.55 feet to a point for corner;

5-49 4. South 88° 53' 29" West, 350.80 feet to a point for corner;

5-50 5. North 00° 37' 44" East, 60.02 feet to a point for corner;

5-51 6. North 88° 53' 29" East, 250.97 feet to a point for corner;

5-52 7. North 00° 44' 18" East, 285.92 feet to a point for corner;

5-53 8. South 88° 57' 25" East, 641.64 feet to the northeast

5-54 corner of said 16.706-acre tract, same being on the west line of the

5-55 aforementioned 40.074-acre tract;

5-56 Thence, along the west and north lines of said 40.074-acre tract the

5-57 following three (3) courses:

5-58 1. North 00° 44' 18" East, 1,133.33 feet to a point for

5-59 corner;

5-60 2. North 89° 51' 31" East, 38.98 feet to a point for corner;

5-61 3. North 89° 56' 48" East, 722.00 feet to the northeast

5-62 corner of said 40.074-acre tract, same being the northwest corner

5-63 of the aforementioned 103.1967-acre tract;

5-64 Thence, along the north line of said 103.1967-acre tract, the

5-65 following two (2) courses:

5-66 1. North 89° 16' 55" East, 215.01 feet to a point for corner;

5-67 2. North 89° 27' 57" East, 535.44 feet to the northeast

5-68 corner of said 103.1967-acre tract, same being the northwest corner

5-69 of the aforementioned 29.881-acre tract;

6-1 Thence, along the north line of said 29.881-acre tract the  
6-2 following two (2) courses:

- 6-3 1. North 89° 27' 57" East, 200.34 feet to a point for corner;
- 6-4 2. North 88° 40' 09" East, 478.07 feet to the POINT OF  
6-5 BEGINNING and containing 310.3 acres of land.

6-6 SECTION 3. (a) The legal notice of the intention to  
6-7 introduce this Act, setting forth the general substance of this  
6-8 Act, has been published as provided by law, and the notice and a  
6-9 copy of this Act have been furnished to all persons, agencies,  
6-10 officials, or entities to which they are required to be furnished  
6-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6-12 Government Code.

6-13 (b) The governor, one of the required recipients, has  
6-14 submitted the notice and Act to the Texas Commission on  
6-15 Environmental Quality.

6-16 (c) The Texas Commission on Environmental Quality has filed  
6-17 its recommendations relating to this Act with the governor, the  
6-18 lieutenant governor, and the speaker of the house of  
6-19 representatives within the required time.

6-20 (d) All requirements of the constitution and laws of this  
6-21 state and the rules and procedures of the legislature with respect  
6-22 to the notice, introduction, and passage of this Act are fulfilled  
6-23 and accomplished.

6-24 SECTION 4. (a) If this Act does not receive a two-thirds  
6-25 vote of all the members elected to each house, Subchapter C, Chapter  
6-26 8499, Special District Local Laws Code, as added by Section 1 of  
6-27 this Act, is amended by adding Section 8499.0307 to read as follows:

6-28 Sec. 8499.0307. NO EMINENT DOMAIN POWER. The district may  
6-29 not exercise the power of eminent domain.

6-30 (b) This section is not intended to be an expression of a  
6-31 legislative interpretation of the requirements of Section 17(c),  
6-32 Article I, Texas Constitution.

6-33 SECTION 5. This Act takes effect September 1, 2021.

6-34 \* \* \* \* \*