

1-1 By: Bell of Montgomery (Senate Sponsor - Creighton) H.B. No. 5344  
 1-2 (In the Senate - Received from the House May 10, 2023;  
 1-3 May 10, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 15, 2023, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
 1-6 May 15, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
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	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 5344 By: Springer

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the creation of the Deer Creek Ranch Municipal Utility  
 1-22 District No. 1 and the Montgomery County Municipal Utility District  
 1-23 No. 236; granting a limited power of eminent domain; providing  
 1-24 authority to issue bonds; providing authority to impose  
 1-25 assessments, fees, and taxes.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. (a) Subtitle F, Title 6, Special District Local  
 1-28 Laws Code, is amended by adding Chapter 7960 to read as follows:

1-29 CHAPTER 7960. DEER CREEK RANCH MUNICIPAL UTILITY DISTRICT NO. 1

1-30 SUBCHAPTER A. GENERAL PROVISIONS

1-31 Sec. 7960.0101. DEFINITIONS. In this chapter:

1-32 (1) "Board" means the district's board of directors.

1-33 (2) "Commission" means the Texas Commission on  
 1-34 Environmental Quality.

1-35 (3) "Director" means a board member.

1-36 (4) "District" means the Deer Creek Ranch Municipal  
 1-37 Utility District No. 1.

1-38 Sec. 7960.0102. NATURE OF DISTRICT. The district is a  
 1-39 municipal utility district created under Section 59, Article XVI,  
 1-40 Texas Constitution.

1-41 Sec. 7960.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-42 REQUIRED. The temporary directors shall hold an election to  
 1-43 confirm the creation of the district and to elect five permanent  
 1-44 directors as provided by Section 49.102, Water Code.

1-45 Sec. 7960.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-46 temporary directors may not hold an election under Section  
 1-47 7960.0103 until each municipality in whose corporate limits or  
 1-48 extraterritorial jurisdiction the district is located has  
 1-49 consented by ordinance or resolution to the creation of the  
 1-50 district and to the inclusion of land in the district as required by  
 1-51 applicable law.

1-52 Sec. 7960.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-53 (a) The district is created to serve a public purpose and benefit.

1-54 (b) The district is created to accomplish the purposes of:

1-55 (1) a municipal utility district as provided by  
 1-56 general law and Section 59, Article XVI, Texas Constitution; and

1-57 (2) Section 52, Article III, Texas Constitution, that  
 1-58 relate to the construction, acquisition, improvement, operation,  
 1-59 or maintenance of macadamized, graveled, or paved roads, or  
 1-60 improvements, including storm drainage, in aid of those roads.

2-1 Sec. 7960.0106. INITIAL DISTRICT TERRITORY. (a) The  
2-2 district is initially composed of the territory described by  
2-3 Section 1(b) of the Act enacting this chapter.

2-4 (b) The boundaries and field notes contained in Section 1(b)  
2-5 of the Act enacting this chapter form a closure. A mistake made in  
2-6 the field notes or in copying the field notes in the legislative  
2-7 process does not affect the district's:

- 2-8 (1) organization, existence, or validity;
- 2-9 (2) right to issue any type of bond for the purposes  
2-10 for which the district is created or to pay the principal of and  
2-11 interest on a bond;
- 2-12 (3) right to impose a tax; or
- 2-13 (4) legality or operation.

2-14 SUBCHAPTER B. BOARD OF DIRECTORS

2-15 Sec. 7960.0201. GOVERNING BODY; TERMS. (a) The district is  
2-16 governed by a board of five elected directors.

2-17 (b) Except as provided by Section 7960.0202, directors  
2-18 serve staggered four-year terms.

2-19 Sec. 7960.0202. TEMPORARY DIRECTORS. (a) On or after the  
2-20 effective date of the Act enacting this chapter, the owner or owners  
2-21 of a majority of the assessed value of the real property in the  
2-22 district may submit a petition to the commission requesting that  
2-23 the commission appoint as temporary directors the five persons  
2-24 named in the petition. The commission shall appoint as temporary  
2-25 directors the five persons named in the petition.

2-26 (b) Temporary directors serve until the earlier of:  
2-27 (1) the date permanent directors are elected under  
2-28 Section 7960.0103; or  
2-29 (2) the fourth anniversary of the effective date of  
2-30 the Act enacting this chapter.

2-31 (c) If permanent directors have not been elected under  
2-32 Section 7960.0103 and the terms of the temporary directors have  
2-33 expired, successor temporary directors shall be appointed or  
2-34 reappointed as provided by Subsection (d) to serve terms that  
2-35 expire on the earlier of:

- 2-36 (1) the date permanent directors are elected under  
2-37 Section 7960.0103; or
- 2-38 (2) the fourth anniversary of the date of the  
2-39 appointment or reappointment.

2-40 (d) If Subsection (c) applies, the owner or owners of a  
2-41 majority of the assessed value of the real property in the district  
2-42 may submit a petition to the commission requesting that the  
2-43 commission appoint as successor temporary directors the five  
2-44 persons named in the petition. The commission shall appoint as  
2-45 successor temporary directors the five persons named in the  
2-46 petition.

2-47 SUBCHAPTER C. POWERS AND DUTIES

2-48 Sec. 7960.0301. GENERAL POWERS AND DUTIES. The district  
2-49 has the powers and duties necessary to accomplish the purposes for  
2-50 which the district is created.

2-51 Sec. 7960.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
2-52 DUTIES. The district has the powers and duties provided by the  
2-53 general law of this state, including Chapters 49 and 54, Water Code,  
2-54 applicable to municipal utility districts created under Section 59,  
2-55 Article XVI, Texas Constitution.

2-56 Sec. 7960.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
2-57 52, Article III, Texas Constitution, the district may design,  
2-58 acquire, construct, finance, issue bonds for, improve, operate,  
2-59 maintain, and convey to this state, a county, or a municipality for  
2-60 operation and maintenance macadamized, graveled, or paved roads, or  
2-61 improvements, including storm drainage, in aid of those roads.

2-62 Sec. 7960.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
2-63 road project must meet all applicable construction standards,  
2-64 zoning and subdivision requirements, and regulations of each  
2-65 municipality in whose corporate limits or extraterritorial  
2-66 jurisdiction the road project is located.

2-67 (b) If a road project is not located in the corporate limits  
2-68 or extraterritorial jurisdiction of a municipality, the road  
2-69 project must meet all applicable construction standards,

3-1 subdivision requirements, and regulations of each county in which  
3-2 the road project is located.  
3-3 (c) If the state will maintain and operate the road, the  
3-4 Texas Transportation Commission must approve the plans and  
3-5 specifications of the road project.  
3-6 Sec. 7960.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
3-7 ORDINANCE OR RESOLUTION. The district shall comply with all  
3-8 applicable requirements of any ordinance or resolution that is  
3-9 adopted under Section 54.016 or 54.0165, Water Code, and that  
3-10 consents to the creation of the district or to the inclusion of land  
3-11 in the district.  
3-12 Sec. 7960.0306. DIVISION OF DISTRICT. (a) The board, on  
3-13 its own motion or on receipt of a petition signed by the owner or  
3-14 owners of a majority of the assessed value of the real property in  
3-15 the district, may adopt an order dividing the district.  
3-16 (b) An order dividing a district may create one or more new  
3-17 districts and may provide for the continuation of the district.  
3-18 (c) An order dividing the district shall:  
3-19 (1) name any new district;  
3-20 (2) include the metes and bounds description of the  
3-21 territory of each of the districts;  
3-22 (3) appoint temporary directors for any new district;  
3-23 and  
3-24 (4) provide for the division of assets and liabilities  
3-25 between the districts.  
3-26 (d) The board may adopt an order dividing the district  
3-27 before or after the date the board holds an election to confirm the  
3-28 district's creation.  
3-29 (e) The district may be divided only if the district:  
3-30 (1) has never issued any bonds; and  
3-31 (2) is not imposing ad valorem taxes.  
3-32 (f) A new district created by the division of the district  
3-33 may not, at the time the new district is created, contain any land  
3-34 outside the area described by Section 1(b) of the Act enacting this  
3-35 chapter.  
3-36 (g) On or before the 30th day after the date of adoption of  
3-37 an order dividing the district, the district shall file the order  
3-38 with the commission and record the order in the real property  
3-39 records of each county in which the district is located.  
3-40 (h) This chapter applies to any new district created by the  
3-41 division of the district, and a new district has all the powers and  
3-42 duties of the district.  
3-43 (i) A new district created by the division of the district  
3-44 shall hold a confirmation and directors' election.  
3-45 (j) If the creation of the new district is confirmed, the  
3-46 new district shall provide the election date and results to the  
3-47 commission.  
3-48 (k) A new district created by the division of the district  
3-49 must hold an election as required by this chapter to obtain voter  
3-50 approval before the district may impose a maintenance tax or issue  
3-51 bonds payable wholly or partly from ad valorem taxes.  
3-52 (l) The district may continue to rely on confirmation,  
3-53 directors', bond, or tax elections held prior to the division.  
3-54 (m) Municipal consent to the creation of the district and to  
3-55 the inclusion of land in the district acts as municipal consent to  
3-56 the creation of any new district created by the division of the  
3-57 district and to the inclusion of land in the new district.  
3-58 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
3-59 Sec. 7960.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
3-60 The district may issue, without an election, bonds and other  
3-61 obligations secured by:  
3-62 (1) revenue other than ad valorem taxes; or  
3-63 (2) contract payments described by Section 7960.0403.  
3-64 (b) The district must hold an election in the manner  
3-65 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-66 before the district may impose an ad valorem tax or issue bonds  
3-67 payable from ad valorem taxes.  
3-68 (c) The district may not issue bonds payable from ad valorem  
3-69 taxes to finance a road project unless the issuance is approved by a

4-1 vote of a two-thirds majority of the district voters voting at an  
4-2 election held for that purpose.

4-3 Sec. 7960.0402. OPERATION AND MAINTENANCE TAX. (a) If  
4-4 authorized at an election held under Section 7960.0401, the  
4-5 district may impose an operation and maintenance tax on taxable  
4-6 property in the district in accordance with Section 49.107, Water  
4-7 Code.

4-8 (b) The board shall determine the tax rate. The rate may not  
4-9 exceed the rate approved at the election.

4-10 Sec. 7960.0403. CONTRACT TAXES. (a) In accordance with  
4-11 Section 49.108, Water Code, the district may impose a tax other than  
4-12 an operation and maintenance tax and use the revenue derived from  
4-13 the tax to make payments under a contract after the provisions of  
4-14 the contract have been approved by a majority of the district voters  
4-15 voting at an election held for that purpose.

4-16 (b) A contract approved by the district voters may contain a  
4-17 provision stating that the contract may be modified or amended by  
4-18 the board without further voter approval.

4-19 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-20 Sec. 7960.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
4-21 OBLIGATIONS. The district may issue bonds or other obligations  
4-22 payable wholly or partly from ad valorem taxes, impact fees,  
4-23 revenue, contract payments, grants, or other district money, or any  
4-24 combination of those sources, to pay for any authorized district  
4-25 purpose.

4-26 Sec. 7960.0502. TAXES FOR BONDS. At the time the district  
4-27 issues bonds payable wholly or partly from ad valorem taxes, the  
4-28 board shall provide for the annual imposition of a continuing  
4-29 direct ad valorem tax, without limit as to rate or amount, while all  
4-30 or part of the bonds are outstanding as required and in the manner  
4-31 provided by Sections 54.601 and 54.602, Water Code.

4-32 Sec. 7960.0503. BONDS FOR ROAD PROJECTS. At the time of  
4-33 issuance, the total principal amount of bonds or other obligations  
4-34 issued or incurred to finance road projects and payable from ad  
4-35 valorem taxes may not exceed one-fourth of the assessed value of the  
4-36 real property in the district.

4-37 (b) The Deer Creek Ranch Municipal Utility District No. 1  
4-38 initially includes all the territory contained in the following  
4-39 area:

4-40 A 685.400 ACRE TRACT OF LAND SITUATED IN THE THOMAS POLK  
4-41 SURVEY, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 35,  
4-42 ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 396, THE  
4-43 SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 1087 AND THE SAMUEL W. DAVIS  
4-44 SURVEY, ABSTRACT NO. 165, LOCATED IN BELL COUNTY, TEXAS AND  
4-45 McCLENNAN COUNTY, TEXAS AND BEING A PORTION OF A CALLED 730.417 ACRE  
4-46 TRACT OF LAND CONVEYED TO VWB TRUST BY INSTRUMENTS RECORDED IN  
4-47 DOCUMENT NO. 20160034747 OF THE OFFICIAL PPUBLIC RECORDS OF BELL  
4-48 COUNTY, TEXAS AND IN DOCUMENT NO. 2016029961 OF THE OFFICIAL PUBLIC  
4-49 RECORDS OF McCLENNAN COUNTY, TEXAS. SAID 685.400 ACRE TRACT BEING  
4-50 MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH  
4-51 AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS  
4-52 COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

4-53 BEGINNING at a 1/2" iron rod found on a point being the  
4-54 northeast corner of said 730.417-acre tract of land, for the  
4-55 northeast corner and POINT OF BEGINNING hereof;

4-56 THENCE with the east boundary line of said 730.417-acre  
4-57 tract, the following three (3) courses and distances:

4-58 1. S 29°39'16" E for a distance of 23.01 feet to an angle point  
4-59 hereof,

4-60 2. S 29°37'25" E for a distance of 486.87 feet to an angle point  
4-61 hereof, and

4-62 3. S 29°29'03" E for a distance of 493.85 feet to a point being the  
4-63 northeast corner of a called 5.525-acre tract of land conveyed to  
4-64 Larry Pietsch et ux, by instrument recorded in Document  
4-65 No. 2010000488 of the Official Public Records of Falls County,  
4-66 Texas, for an angle point hereof;

4-67 THENCE with the north boundary line of said 5.525-acre tract,  
4-68 the following two (2) courses and distances:

4-69 1. S 57°58'39" W for a distance of 542.26 feet to an angle point

5-1 hereof, and  
5-2 2. S 56°02'27" W for a distance of 58.49 feet to a point being the  
5-3 northwest corner of said 5.525-acre tract, for an angle point  
5-4 hereof;  
5-5 THENCE with west boundary line of said 5.525-acre tract,  
5-6 S 32°56'37" E for a distance of 396.46 feet to a point being the  
5-7 northwest corner of a called 5.075-acre tract of land conveyed to  
5-8 Larry Pietsch et ux, by instrument recorded in Document no.  
5-9 2010000485 of the Official Public Records of Falls County, Texas,  
5-10 same being the southwest corner of said 5.525-acre tract, for an  
5-11 angle point hereof;  
5-12 THENCE with the west boundary line of said 5.075-acre tract,  
5-13 S 14°23'05" E for a distance of 363.73 feet to a point being the  
5-14 southwest corner of said 5.075-acre tract for an angle point  
5-15 hereof;  
5-16 THENCE with the south boundary line of said 5.075-acre tract  
5-17 N 59°41'47" E for a distance of 143.92 feet to a point in the  
5-18 approximate west boundary line of Falls County, Texas, same being  
5-19 the approximate east boundary line of Bell County, Texas, for an  
5-20 angle point hereof;  
5-21 THENCE departing the south boundary line of said 5.075-acre  
5-22 tract with the approximate west boundary line of Falls County,  
5-23 Texas, same being the approximate east boundary line of Bell  
5-24 County, Texas and through the interior of said 730.417 acre tract,  
5-25 S 32°52'48" E for a distance of 2076.93 feet to a point in the north  
5-26 right-of-way line of County Road 498 (right-of-way width varies),  
5-27 same being the southern boundary line of said 730.417-acre tract  
5-28 for the southeast corner hereof;  
5-29 THENCE with the north right-of-way line of County Road 498,  
5-30 same being the southern boundary line of said 730.417-acre tract,  
5-31 the following six (6) courses and distances:  
5-32 1. S 59°45'11" W for a distance of 307.98 feet to a point  
5-33 2. S 56°40'31" W for a distance of 452.77 feet to an angle point  
5-34 hereof,  
5-35 3. S 59°50'03" W for a distance of 818.71 feet to an angle point  
5-36 hereof,  
5-37 4. S 59°28'26" W for a distance of 725.73 feet to an angle point  
5-38 hereof,  
5-39 5. S 59°11'05" W for a distance of 653.72 feet to 1/2" iron rod  
5-40 found on a point, for an angle point hereof, and  
5-41 6. S 15°31'38" W for a distance of 522.86 feet to a 1/2" iron rod  
5-42 found on a point being the northeasterly corner of a called 125-acre  
5-43 tract of land conveyed to Jackie Elizabeth Bounds, et al by  
5-44 instrument recorded on Document No. 2020014897 of the Official  
5-45 Public Records of Bell County, Texas, same being a southeasterly  
5-46 corner of said 730.417-acre tract, for a southeasterly corner  
5-47 hereof;  
5-48 THENCE with the northerly boundary line of said 125-acre  
5-49 tract, same being the southerly boundary line of said 730.417-acre  
5-50 tract, the following four (4) courses and distances:  
5-51 1. N 68°17'07" W for a distance of 1982.29 feet to an angle point  
5-52 hereof,  
5-53 2. S 20°13'41" W for a distance of 1194.63 feet to a 1/2" iron rod  
5-54 found on an angle point hereof,  
5-55 3. N 70°00'40" W for a distance of 1040.46 feet to a 1/2" iron rod  
5-56 found on an angle point hereof, and  
5-57 4. S 20°16'01" W for a distance of 913.53 feet to a point in the  
5-58 north boundary line of called 50.00-acre tract of land conveyed to  
5-59 Howard Thomas Daye and Glenda Marie Daye, by instrument recorded in  
5-60 Document No. 20085002539 of the Official Public Records of Bell  
5-61 County, Texas, same being the southwesterly corner of said 125-acre  
5-62 tract, for an angle point hereof;  
5-63 THENCE with, in part, the northerly boundary lines of: said  
5-64 50.002-acre tract, a called 9.68-acre tract conveyed to Arthur  
5-65 Poston, by instrument recorded in Volume 5990, Page 314 of the  
5-66 Probate Records of Bell County, Texas and a called 64-acre tract of  
5-67 land conveyed to John D. Price and Vi Price, by instrument recorded  
5-68 in Volume 3324, Page 204 of the Deed Records of Bell County, Texas,  
5-69 respectively, same being the southerly boundary line of said

6-1 730.417-acre tract, N 69°43'06" W for a distance of 1577.88 feet to  
 6-2 a 1/2" iron rod found on a point in the southeasterly boundary line  
 6-3 of a called 89.5-acre tract of land conveyed to the H.B. Hillyard,  
 6-4 Jr. and Julia I. Hillyard Revocable Living Trust, by instrument  
 6-5 recorded in Volume 1845, Page 808 of the Deed Records of McClennan  
 6-6 County, Texas, for an angle point hereof;

6-7 THENCE with the southeasterly boundary line of said 89.5-acre  
 6-8 tract, same being the southerly boundary line of said 730.417-acre  
 6-9 tract, N 57°14'15" E for a distance of 1017.80 feet to a 1/2" iron  
 6-10 rod found on a point being the northeast corner of said 89.5-acre  
 6-11 tract, for an angle point hereof;

6-12 THENCE with the northerly boundary line of said 89.5-acre  
 6-13 tract, same being the southerly boundary line of said 730.417-acre  
 6-14 tract, N 73°22'08" W for a distance of 2682.51 feet to a to a 1/2"  
 6-15 iron rod found on a point in the easterly right-of-way of Neal Road  
 6-16 (right-of-way width varies), said point being the northwest corner  
 6-17 of said 89.5-acre tract, same being the southwesterly corner of  
 6-18 said 730.417-acre tract, for the southwesterly corner hereof;

6-19 THENCE with the easterly right-of-way line of said Neal Road,  
 6-20 same being the westerly boundary line of said 730.417-acre tract,  
 6-21 the following two (2) courses and distances:

6-22 N 16°44'59" E for a distance of 641.51 feet to an angle  
 6-23 point hereof, and

6-24 N 16°43'27" E for a distance of 1649.96 feet to a 1/2:"  
 6-25 iron rod found on a point in the southerly margin of Franklin  
 6-26 Road, said point being the northwest corner of said  
 6-27 730.417-acre tract, for the northwest corner hereof;

6-28 THENCE with the southerly margin of said Franklin Road, same  
 6-29 being the northwesterly boundary line of said 730.417-acre tract,  
 6-30 the following three (3) courses and distances:

6-31 1. N 88°45'56" E for a distance of 1956.89 feet to an angle point  
 6-32 hereof,

6-33 2. S 89°44'59" E for a distance of 1153.82 feet to a 1/2" iron rod  
 6-34 found on for an angle point hereof, and

6-35 3. N 59°40'59" E for a distance of 1208.65 feet to an angle point  
 6-36 hereof;

6-37 THENCE departing the southerly margin of Franklin Road,  
 6-38 through the interior of said 730.417-acre tract, S 61°17'12" E for a  
 6-39 distance of 29.19 feet to a point being the northwesterly corner of  
 6-40 a called 10.00-acre tract of land conveyed to Kimberly Worthington,  
 6-41 by instrument recorded in Document No. 2021020842 of the Official  
 6-42 Public Records of McClennan County, Texas, for an angle point  
 6-43 hereof;

6-44 THENCE with the westerly, southerly and easterly boundary  
 6-45 lines, respectively, of said 10.00-acre tract the following twelve  
 6-46 (12) courses and distances:

6-47 1. S 61°17'12" E for a distance of 324.55 feet to an angle point  
 6-48 hereof,

6-49 2. N 06°20'39" E for a distance of 80.42 feet to an angle point  
 6-50 hereof,

6-51 3. N 57°20'12" E for a distance of 81.81 feet to an angle point  
 6-52 hereof,

6-53 4. S 23°32'20" E for a distance of 67.80 feet to an angle point  
 6-54 hereof,

6-55 5. S 08°42'13" E for a distance of 181.25 feet to an angle point  
 6-56 hereof,

6-57 6. N 39°25'15" E for a distance of 103.44 feet to an angle point  
 6-58 hereof,

6-59 7. S 22°37'59" E for a distance of 186.24 feet to an angle point  
 6-60 hereof,

6-61 8. N 57°23'30" E for a distance of 88.53 feet to an angle point  
 6-62 hereof,

6-63 9. S 29°10'57" E for a distance of 72.30 feet to an angle point  
 6-64 hereof,

6-65 10. N 59°40'57" E for a distance of 20.00 feet to an angle point  
 6-66 hereof,

6-67 11. N 59°40'57" E for a distance of 489.21 feet to an angle point  
 6-68 hereof, and

6-69 12. N 30°19'01" W for a distance of 663.75 feet to a point being the

7-1 northeasterly corner of said 10.00-acre tract for an angle point  
7-2 hereof;

7-3 THENCE departing the boundary line of said 10.00-acre tract,  
7-4 through the interior of said 730.417-acre tract, N 30°19'01" W for a  
7-5 distance of 25.02 feet to a point in the southerly margin of  
7-6 Franklin Road, same being the northwesterly boundary line of said  
7-7 730.417-acre tract, the following three (3) courses and distances:

7-8 1. N 59°40'59" E for a distance of 701.97 feet to an angle point  
7-9 hereof,

7-10 2. N 60°40'09" E for a distance of 1305.59 feet to an angle point  
7-11 hereof, and

7-12 3. N 60°36'34" E for a distance of 617.98 feet to a point to the  
7-13 POINT OF BEGINNING and containing 685.400 acres in the McClennan  
7-14 County, Texas and Bell County, Texas. Said tract being described in  
7-15 accordance with a survey prepared under Job No. 59012-22 by  
7-16 Pape-Dawson Engineers, Inc.

7-17 (c) If this Act does not receive a two-thirds vote of all the  
7-18 members elected to each house, Subchapter C, Chapter 7960, Special  
7-19 District Local Laws Code, as added by Section 1(a) of this Act, is  
7-20 amended by adding Section 7960.0307 to read as follows:

7-21 Sec. 7960.0307. NO EMINENT DOMAIN POWER. The district may  
7-22 not exercise the power of eminent domain.

7-23 (d) Section 1(c) of this Act is not intended to be an  
7-24 expression of a legislative interpretation of the requirements of  
7-25 Section 17(c), Article I, Texas Constitution.

7-26 SECTION 2. (a) Subtitle F, Title 6, Special District Local  
7-27 Laws Code, is amended by adding Chapter 7968A to read as follows:

7-28 CHAPTER 7968A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT  
7-29 NO. 236

7-30 SUBCHAPTER A. GENERAL PROVISIONS

7-31 Sec. 7968A.0101. DEFINITIONS. In this chapter:

7-32 (1) "Board" means the district's board of directors.

7-33 (2) "Commission" means the Texas Commission on  
7-34 Environmental Quality.

7-35 (3) "Director" means a board member.

7-36 (4) "District" means the Montgomery County Municipal  
7-37 Utility District No. 236.

7-38 Sec. 7968A.0102. NATURE OF DISTRICT. The district is a  
7-39 municipal utility district created under Section 59, Article XVI,  
7-40 Texas Constitution.

7-41 Sec. 7968A.0103. CONFIRMATION AND DIRECTOR ELECTION  
7-42 REQUIRED. The temporary directors shall hold an election to  
7-43 confirm the creation of the district and to elect five permanent  
7-44 directors as provided by Section 49.102, Water Code.

7-45 Sec. 7968A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
7-46 temporary directors may not hold an election under Section  
7-47 7968A.0103 until each municipality in whose corporate limits or  
7-48 extraterritorial jurisdiction the district is located has  
7-49 consented by ordinance or resolution to the creation of the  
7-50 district and to the inclusion of land in the district as required by  
7-51 applicable law.

7-52 Sec. 7968A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  
7-53 (a) The district is created to serve a public purpose and benefit.

7-54 (b) The district is created to accomplish the purposes of:

7-55 (1) a municipal utility district as provided by  
7-56 general law and Section 59, Article XVI, Texas Constitution; and

7-57 (2) Section 52, Article III, Texas Constitution, that  
7-58 relate to the construction, acquisition, improvement, operation,  
7-59 or maintenance of macadamized, graveled, or paved roads, or  
7-60 improvements, including storm drainage, in aid of those roads.

7-61 Sec. 7968A.0106. INITIAL DISTRICT TERRITORY. (a) The  
7-62 district is initially composed of the territory described by  
7-63 Section 2(b) of the Act enacting this chapter.

7-64 (b) The boundaries and field notes contained in Section 2(b)  
7-65 of the Act enacting this chapter form a closure. A mistake made in  
7-66 the field notes or in copying the field notes in the legislative  
7-67 process does not affect the district's:

7-68 (1) organization, existence, or validity;

7-69 (2) right to issue any type of bond for the purposes

8-1 for which the district is created or to pay the principal of and  
 8-2 interest on a bond;  
 8-3 (3) right to impose a tax; or  
 8-4 (4) legality or operation.

8-5 SUBCHAPTER B. BOARD OF DIRECTORS

8-6 Sec. 7968A.0201. GOVERNING BODY; TERMS. (a) The district  
 8-7 is governed by a board of five elected directors.

8-8 (b) Except as provided by Section 7968A.0202, directors  
 8-9 serve staggered four-year terms.

8-10 Sec. 7968A.0202. TEMPORARY DIRECTORS. (a) On or after the  
 8-11 effective date of the Act enacting this chapter, the owner or owners  
 8-12 of a majority of the assessed value of the real property in the  
 8-13 district may submit a petition to the commission requesting that  
 8-14 the commission appoint as temporary directors the five persons  
 8-15 named in the petition. The commission shall appoint as temporary  
 8-16 directors the five persons named in the petition.

8-17 (b) Temporary directors serve until the earlier of:

8-18 (1) the date permanent directors are elected under  
 8-19 Section 7968A.0103; or

8-20 (2) the fourth anniversary of the effective date of  
 8-21 the Act enacting this chapter.

8-22 (c) If permanent directors have not been elected under  
 8-23 Section 7968A.0103 and the terms of the temporary directors have  
 8-24 expired, successor temporary directors shall be appointed or  
 8-25 reappointed as provided by Subsection (d) to serve terms that  
 8-26 expire on the earlier of:

8-27 (1) the date permanent directors are elected under  
 8-28 Section 7968A.0103; or

8-29 (2) the fourth anniversary of the date of the  
 8-30 appointment or reappointment.

8-31 (d) If Subsection (c) applies, the owner or owners of a  
 8-32 majority of the assessed value of the real property in the district  
 8-33 may submit a petition to the commission requesting that the  
 8-34 commission appoint as successor temporary directors the five  
 8-35 persons named in the petition. The commission shall appoint as  
 8-36 successor temporary directors the five persons named in the  
 8-37 petition.

8-38 SUBCHAPTER C. POWERS AND DUTIES

8-39 Sec. 7968A.0301. GENERAL POWERS AND DUTIES. The district  
 8-40 has the powers and duties necessary to accomplish the purposes for  
 8-41 which the district is created.

8-42 Sec. 7968A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 8-43 DUTIES. The district has the powers and duties provided by the  
 8-44 general law of this state, including Chapters 49 and 54, Water Code,  
 8-45 applicable to municipal utility districts created under Section 59,  
 8-46 Article XVI, Texas Constitution.

8-47 Sec. 7968A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
 8-48 Section 52, Article III, Texas Constitution, the district may  
 8-49 design, acquire, construct, finance, issue bonds for, improve,  
 8-50 operate, maintain, and convey to this state, a county, or a  
 8-51 municipality for operation and maintenance macadamized, graveled,  
 8-52 or paved roads, or improvements, including storm drainage, in aid  
 8-53 of those roads.

8-54 Sec. 7968A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 8-55 road project must meet all applicable construction standards,  
 8-56 zoning and subdivision requirements, and regulations of each  
 8-57 municipality in whose corporate limits or extraterritorial  
 8-58 jurisdiction the road project is located.

8-59 (b) If a road project is not located in the corporate limits  
 8-60 or extraterritorial jurisdiction of a municipality, the road  
 8-61 project must meet all applicable construction standards,  
 8-62 subdivision requirements, and regulations of each county in which  
 8-63 the road project is located.

8-64 (c) If the state will maintain and operate the road, the  
 8-65 Texas Transportation Commission must approve the plans and  
 8-66 specifications of the road project.

8-67 Sec. 7968A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 8-68 ORDINANCE OR RESOLUTION. The district shall comply with all  
 8-69 applicable requirements of any ordinance or resolution that is



9-1 adopted under Section 54.016 or 54.0165, Water Code, and that  
9-2 consents to the creation of the district or to the inclusion of land  
9-3 in the district.

9-4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9-5 Sec. 7968A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)

9-6 The district may issue, without an election, bonds and other  
9-7 obligations secured by:

9-8 (1) revenue other than ad valorem taxes; or

9-9 (2) contract payments described by Section  
9-10 7968A.0403.

9-11 (b) The district must hold an election in the manner  
9-12 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
9-13 before the district may impose an ad valorem tax or issue bonds  
9-14 payable from ad valorem taxes.

9-15 (c) The district may not issue bonds payable from ad valorem  
9-16 taxes to finance a road project unless the issuance is approved by a  
9-17 vote of a two-thirds majority of the district voters voting at an  
9-18 election held for that purpose.

9-19 Sec. 7968A.0402. OPERATION AND MAINTENANCE TAX. (a) If

9-20 authorized at an election held under Section 7968A.0401, the  
9-21 district may impose an operation and maintenance tax on taxable  
9-22 property in the district in accordance with Section 49.107, Water  
9-23 Code.

9-24 (b) The board shall determine the tax rate. The rate may not  
9-25 exceed the rate approved at the election.

9-26 Sec. 7968A.0403. CONTRACT TAXES. (a) In accordance with

9-27 Section 49.108, Water Code, the district may impose a tax other than  
9-28 an operation and maintenance tax and use the revenue derived from  
9-29 the tax to make payments under a contract after the provisions of  
9-30 the contract have been approved by a majority of the district voters  
9-31 voting at an election held for that purpose.

9-32 (b) A contract approved by the district voters may contain a  
9-33 provision stating that the contract may be modified or amended by  
9-34 the board without further voter approval.

9-35 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

9-36 Sec. 7968A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
9-37 OBLIGATIONS. The district may issue bonds or other obligations  
9-38 payable wholly or partly from ad valorem taxes, impact fees,  
9-39 revenue, contract payments, grants, or other district money, or any  
9-40 combination of those sources, to pay for any authorized district  
9-41 purpose.

9-42 Sec. 7968A.0502. TAXES FOR BONDS. At the time the district  
9-43 issues bonds payable wholly or partly from ad valorem taxes, the  
9-44 board shall provide for the annual imposition of a continuing  
9-45 direct ad valorem tax, without limit as to rate or amount, while all  
9-46 or part of the bonds are outstanding as required and in the manner  
9-47 provided by Sections 54.601 and 54.602, Water Code.

9-48 Sec. 7968A.0503. BONDS FOR ROAD PROJECTS. At the time of  
9-49 issuance, the total principal amount of bonds or other obligations  
9-50 issued or incurred to finance road projects and payable from ad  
9-51 valorem taxes may not exceed one-fourth of the assessed value of the  
9-52 real property in the district.

9-53 (b) Montgomery County Municipal Utility District No. 236  
9-54 initially includes all the territory contained in the following  
9-55 area:

9-56 A 231.1123 ACRE TRACT OF LAND IN THE S. TERRY SURVEY, ABSTRACT  
9-57 NO. 564, MONTGOMERY COUNTY, TEXAS, BEING OUT OF AND A PART OF A  
9-58 CALLED 1,702.2 ACRE TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF  
9-59 1992 GUNIGANTI CREDIT SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY  
9-60 TRUSTS AS RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NUMBER  
9-61 (M.C.C.F. NO.) 2019097078 (DESCRIBED UNDER M.C.C.F. NO.  
9-62 2012127211), THE SAID 231.1123 ACRE TRACT BEING MORE PARTICULARLY  
9-63 DESCRIBED BY METES AND BOUNDS AS FOLLOWS, (WITH BEARINGS BASED ON  
9-64 THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY  
9-65 GPS MEASUREMENTS):

9-66 COMMENCING at a 3/4-inch iron rod found marking an angle in  
9-67 the west line of said 1,702.2 acre tract, and the west line of a  
9-68 called 150.00 acre tract, conveyed to TC LB Royal Pines, LP as  
9-69 recorded under M.C.C.F. NO. 2021171601;

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

10-13           THENCE, South 87°08'26" West, along the north lines of said  
 10-14 WOC4, and White Oak Crossing Sec 3 (WOC3), map or plat thereof  
 10-15 recorded under Cab. Z, Sht. 2286 M.C.M.R., common with the  
 10-16 southerly line of said 1,702.2 acre tract and the herein described  
 10-17 tract, a distance of 2,132.46 feet, to a 5/8" iron rod with cap  
 10-18 stamped "HOVIS" found marking the northwest corner of Lot 19, Block  
 10-19 5, of said WOC3;

10-20           THENCE, North 07°21'12" West, departing said common line,  
 10-21 over and across said WOC3, A 19.14 acre tract conveyed to Prabhakar  
 10-22 R. Guniganti as recorded under M.C.C.F. NO. 2016114018, and said  
 10-23 1,702.2 acre tract, a distance of 4,946.84 feet, to the west line of  
 10-24 said 1,702.2 acre tract marking the southwest corner, and POINT OF  
 10-25 BEGINNING of the herein described tract;

10-26           THENCE, North 02°19'57" West, along the west line of said  
 10-27 1,702.2 acre tract, passing at a distance of 7.13 feet the southerly  
 10-28 Right-Of-Way (R.O.W.) line of State Highway 99 (A.K.A. Grand  
 10-29 Parkway), as described in the agreed final judgement recorded under  
 10-30 M.C.C.F. NO. 2022115684, passing at a distance of 407.22 feet, the  
 10-31 northerly R.O.W. line of said State Highway 99, continuing a total  
 10-32 distance of 2,694.43 feet, to the northwest corner of said 1,702.2  
 10-33 acre tract and the herein described tract;

10-34           THENCE, North 86°56'15" East, along the northerly line of said  
 10-35 1,702.2 acre tract, a distance of 2,313.87 feet, to an angle in the  
 10-36 north line of said 1,702.2 acre tract and the herein described  
 10-37 tract;

10-38           THENCE, North 88°18'37" East, along the northerly line of said  
 10-39 1,702.2 acre tract, a distance of 84.62 feet, to the northeast  
 10-40 corner of the herein described tract;

10-41           THENCE, over and across said 1,702.2 acre tract, the  
 10-42 following twenty nine (29) courses and distances:

10-43           South 01°34'11" East, a distance of 523.07 feet, to an angle  
 10-44 in the east line of the herein described tract;

10-45           South 88°20'05" East, a distance of 320.48 feet, to an angle  
 10-46 in the east line of the herein described tract;

10-47           South 72°57'20" East, a distance of 524.04 feet, to an angle  
 10-48 in the east line of the herein described tract;

10-49           South 55°07'09" East, a distance of 242.85 feet, to an angle  
 10-50 in the east line of the herein described tract;

10-51           South 26°44'17" East, a distance of 274.37 feet, to an angle  
 10-52 in the east line of the herein described tract;

10-53           South 34°39'23" East, a distance of 466.61 feet, to an angle  
 10-54 in the east line of the herein described tract;

10-55           South 29°43'18" East, a distance of 94.04 feet, to an angle in  
 10-56 the east line of the herein described tract;

10-57           South 03°45'41" West, a distance of 196.73 feet, to an angle  
 10-58 in the east line of the herein described tract;

10-59           South 27°52'41" East, a distance of 382.54 feet, to an angle  
 10-60 in the east line of the herein described tract;

10-61           South 29°14'09" East, a distance of 98.06 feet, to an angle in  
 10-62 the east line of the herein described tract;

10-63           South 18°42'01" West, a distance of 156.58 feet, to an angle  
 10-64 in the east line of the herein described tract;

10-65           South 45°05'06" West, a distance of 138.46 feet, to an angle  
 10-66 in the east line of the herein described tract;

10-67           South 72°00'22" West, a distance of 171.11 feet, to an angle  
 10-68 in the east line of the herein described tract;

10-69           South 64°09'37" West, a distance of 133.85 feet, to the

11-1 beginning of a curve to the right;

11-2 In a southwesterly direction, along said curve to the right,  
11-3 having a radius of 3,014.66 feet, a central angle of 01°26'03"  
11-4 (chord bears South 64°04'47" West, 75.45 feet) and an arc distance  
11-5 of 75.45 feet, to the beginning of a reverse curve to the left;

11-6 In a southwesterly direction, along said reverse curve to the  
11-7 left, having a radius of 100.00 feet, a central angle of 13°17'38"  
11-8 (chord bears South 57°47'21" West, 23.15 feet) and an arc distance  
11-9 of 23.20 feet, to the beginning of a reverse curve to the right;

11-10 In a southwesterly direction, along said reverse curve to the  
11-11 right, having a radius of 500.00 feet, a central angle of 12°42'15"  
11-12 (chord bears South 57°29'40" West, 110.64 feet) and an arc distance  
11-13 of 110.86 feet, to the beginning of a reverse curve to the left;

11-14 In a southwesterly direction, along said reverse curve to the  
11-15 left, having a radius of 100.00 feet, a central angle of 07°23'59"  
11-16 (chord bears South 60°08'48" West, 12.91 feet) and an arc distance  
11-17 of 12.92 feet, to the beginning of a reverse curve to the right;

11-18 In a southwesterly direction, along said reverse curve to the  
11-19 right, having a radius of 100.00 feet, a central angle of 23°30'02"  
11-20 (chord bears South 68°11'50" West, 40.73 feet) and an arc distance  
11-21 of 41.02 feet, to the point of tangency;

11-22 South 79°56'51" West, a distance of 52.57 feet, to the  
11-23 beginning of a curve to the right;

11-24 In a westerly direction, along said curve to the right,  
11-25 having a radius of 100.00 feet, a central angle of 24°12'11" (chord  
11-26 bears North 87°57'04" West, 41.93 feet) and an arc distance of 42.24  
11-27 feet, to the point of compound curvature;

11-28 In a northwesterly direction, along said compound curve to  
11-29 the right, having a radius of 500.00 feet, a central angle of  
11-30 01°07'37" (chord bears North 75°17'10" West, 9.83 feet) and an arc  
11-31 distance of 9.83 feet, to the point of reverse curvature;

11-32 In a southwesterly direction, along said reverse curve to the  
11-33 left, having a radius of 100.00 feet, a central angle of 59°15'48"  
11-34 (chord bears South 75°38'44" West, 98.88 feet) and an arc distance  
11-35 of 103.43 feet, to the point of tangency;

11-36 South 46°00'50" West, a distance of 240.66 feet, to an angle  
11-37 in the southerly line of the herein described tract;

11-38 North 47°45'22" West, a distance of 351.90 feet, to the  
11-39 beginning of a curve to the right;

11-40 In a northwesterly direction, along said curve to the right,  
11-41 having a radius of 1,250.00 feet, a central angle of 01°33'58"  
11-42 (chord bears North 46°58'23" West, 34.17 feet) and an arc distance  
11-43 of 34.17 feet, to the point of tangency;

11-44 South 53°50'57" West, a distance of 302.10 feet, to the  
11-45 beginning of a curve to the left;

11-46 In a southwesterly direction, along said curve to the left,  
11-47 having a radius of 2,000.00 feet, a central angle of 17°35'11"  
11-48 (chord bears South 45°03'21" West, 611.48 feet) and an arc distance  
11-49 of 613.89 feet, to the point of tangency;

11-50 South 36°15'45" West, a distance of 406.05 feet, to an angle  
11-51 in the southerly line of the herein described tract;

11-52 THENCE, North 68°09'29" West, a distance of 1,868.05 feet, to  
11-53 the POINT OF BEGINNING, and containing 231.1123 acres of land.

11-54 (c) If this Act does not receive a two-thirds vote of all the  
11-55 members elected to each house, Subchapter C, Chapter 7968A, Special  
11-56 District Local Laws Code, as added by Section 2(a) of this Act, is  
11-57 amended by adding Section 7968A.0306 to read as follows:

11-58 Sec. 7968A.0306. NO EMINENT DOMAIN POWER. The district may  
11-59 not exercise the power of eminent domain.

11-60 (d) Section 2(c) of this Act is not intended to be an  
11-61 expression of a legislative interpretation of the requirements of  
11-62 Section 17(c), Article I, Texas Constitution.

11-63 SECTION 3. (a) The legal notice of the intention to  
11-64 introduce this Act, setting forth the general substance of this  
11-65 Act, has been published as provided by law, and the notice and a  
11-66 copy of this Act have been furnished to all persons, agencies,  
11-67 officials, or entities to which they are required to be furnished  
11-68 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
11-69 Government Code.

12-1 (b) The governor, one of the required recipients, has  
12-2 submitted the notice and Act to the Texas Commission on  
12-3 Environmental Quality.

12-4 (c) The Texas Commission on Environmental Quality has filed  
12-5 its recommendations relating to this Act with the governor, the  
12-6 lieutenant governor, and the speaker of the house of  
12-7 representatives within the required time.

12-8 (d) All requirements of the constitution and laws of this  
12-9 state and the rules and procedures of the legislature with respect  
12-10 to the notice, introduction, and passage of this Act are fulfilled  
12-11 and accomplished.

12-12 SECTION 4. This Act takes effect immediately if it receives  
12-13 a vote of two-thirds of all the members elected to each house, as  
12-14 provided by Section 39, Article III, Texas Constitution. If this  
12-15 Act does not receive the vote necessary for immediate effect, this  
12-16 Act takes effect September 1, 2023.

12-17

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