

1-1 By: Metcalf (Senate Sponsor - Kolkhorst) H.B. No. 5375  
 1-2 (In the Senate - Received from the House May 15, 2023;  
 1-3 May 15, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 19, 2023, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 19, 2023, 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 Management  
 1-20 District No. 2; providing authority to issue bonds; providing  
 1-21 authority to impose assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
 1-24 Code, is amended by adding Chapter 3800 to read as follows:

1-25 CHAPTER 3800. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 2

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 3800.0101. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "County" means Montgomery County.

1-30 (3) "Director" means a board member.

1-31 (4) "District" means the Montgomery County Management

1-32 District No. 2.

1-33 Sec. 3800.0102. NATURE OF DISTRICT. The Montgomery County  
 1-34 Management District No. 2 is a special district created under  
 1-35 Section 59, Article XVI, Texas Constitution.

1-36 Sec. 3800.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
 1-37 creation of the district is essential to accomplish the purposes of  
 1-38 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
 1-39 Texas Constitution, and other public purposes stated in this  
 1-40 chapter.

1-41 (b) By creating the district and in authorizing the county  
 1-42 and other political subdivisions to contract with the district, the  
 1-43 legislature has established a program to accomplish the public  
 1-44 purposes set out in Section 52-a, Article III, Texas Constitution.

1-45 (c) The creation of the district is necessary to promote,  
 1-46 develop, encourage, and maintain employment, commerce,  
 1-47 transportation, housing, tourism, recreation, the arts,  
 1-48 entertainment, economic development, safety, and the public  
 1-49 welfare in the district.

1-50 (d) This chapter and the creation of the district may not be  
 1-51 interpreted to relieve the county from providing the level of  
 1-52 services provided as of the effective date of the Act enacting this  
 1-53 chapter to the area in the district. The district is created to  
 1-54 supplement and not to supplant county or municipal services  
 1-55 provided in the district.

1-56 Sec. 3800.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-57 (a) All land and other property included in the district will  
 1-58 benefit from the improvements and services to be provided by the  
 1-59 district under powers conferred by Sections 52 and 52-a, Article  
 1-60 III, and Section 59, Article XVI, Texas Constitution, and other  
 1-61 powers granted under this chapter.

2-1           (b) The district is created to serve a public use and  
2-2 benefit.

2-3           (c) The creation of the district is in the public interest  
2-4 and is essential to further the public purposes of:

2-5           (1) developing and diversifying the economy of the  
2-6 state;

2-7           (2) eliminating unemployment and underemployment; and  
2-8           (3) developing or expanding transportation and  
2-9 commerce.

2-10          (d) The district will:

2-11           (1) promote the health, safety, and general welfare of  
2-12 residents, employers, potential employees, employees, visitors,  
2-13 and consumers in the district, and of the public;

2-14           (2) provide needed funding for the district to  
2-15 preserve, maintain, and enhance the economic health and vitality of  
2-16 the district territory as a community and business center;

2-17           (3) promote the health, safety, welfare, and enjoyment  
2-18 of the public by providing pedestrian ways and by landscaping and  
2-19 developing certain areas in the district, which are necessary for  
2-20 the restoration, preservation, and enhancement of scenic beauty;  
2-21 and

2-22           (4) provide for water, wastewater, drainage, road, and  
2-23 recreational facilities for the district.

2-24          (e) Pedestrian ways along or across a street, whether at  
2-25 grade or above or below the surface, and street lighting, street  
2-26 landscaping, parking, and street art objects are parts of and  
2-27 necessary components of a street and are considered to be a street  
2-28 or road improvement.

2-29          (f) The district will not act as the agent or  
2-30 instrumentality of any private interest even though the district  
2-31 will benefit many private interests as well as the public.

2-32          Sec. 3800.0105. INITIAL DISTRICT TERRITORY. (a) The  
2-33 district is initially composed of the territory described by  
2-34 Section 2 of the Act enacting this chapter.

2-35          (b) The boundaries and field notes contained in Section 2 of  
2-36 the Act enacting this chapter form a closure. A mistake in the  
2-37 field notes or in copying the field notes in the legislative process  
2-38 does not affect the district's:

2-39           (1) organization, existence, or validity;  
2-40           (2) right to issue any type of bonds for the purposes  
2-41 for which the district is created or to pay the principal of and  
2-42 interest on the bonds;

2-43           (3) right to impose or collect an assessment or tax; or  
2-44           (4) legality or operation.

2-45          Sec. 3800.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
2-46 All or any part of the area of the district is eligible to be  
2-47 included in:

2-48           (1) a tax increment reinvestment zone created under  
2-49 Chapter 311, Tax Code; or

2-50           (2) a tax abatement reinvestment zone created under  
2-51 Chapter 312, Tax Code.

2-52          Sec. 3800.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
2-53 DISTRICTS LAW. Except as otherwise provided by this chapter,  
2-54 Chapter 375, Local Government Code, applies to the district.

2-55          Sec. 3800.0108. CONSTRUCTION OF CHAPTER. This chapter  
2-56 shall be liberally construed in conformity with the findings and  
2-57 purposes stated in this chapter.

2-58                           SUBCHAPTER B. BOARD OF DIRECTORS

2-59          Sec. 3800.0201. GOVERNING BODY; TERMS. (a) The district is  
2-60 governed by a board of five directors elected or appointed as  
2-61 provided by this chapter and Subchapter D, Chapter 49, Water Code.

2-62           (b) Except as provided by Section 3800.0203, directors  
2-63 serve staggered four-year terms.

2-64          Sec. 3800.0202. COMPENSATION. A director is entitled to  
2-65 receive fees of office and reimbursement for actual expenses as  
2-66 provided by Section 49.060, Water Code. Sections 375.069 and  
2-67 375.070, Local Government Code, do not apply to the board.

2-68          Sec. 3800.0203. TEMPORARY DIRECTORS. (a) On or after the  
2-69 effective date of the Act creating this chapter, the owner or owners

3-1 of a majority of the assessed value of the real property in the  
 3-2 district according to the most recent certified tax appraisal roll  
 3-3 for the county may submit a petition to the Texas Commission on  
 3-4 Environmental Quality requesting that the commission appoint as  
 3-5 temporary directors the five persons named in the petition. The  
 3-6 commission shall appoint as temporary directors the five persons  
 3-7 named in the petition.

3-8 (b) The temporary or successor temporary directors shall  
 3-9 hold an election to elect five permanent directors as provided by  
 3-10 Section 49.102, Water Code.

3-11 (c) Temporary directors serve until the earlier of:

3-12 (1) the date permanent directors are elected under  
 3-13 Subsection (b); or

3-14 (2) the fourth anniversary of the effective date of  
 3-15 the Act creating this chapter.

3-16 (d) If permanent directors have not been elected under  
 3-17 Subsection (b) and the terms of the temporary directors have  
 3-18 expired, successor temporary directors shall be appointed or  
 3-19 reappointed as provided by Subsection (e) to serve terms that  
 3-20 expire on the earlier of:

3-21 (1) the date permanent directors are elected under  
 3-22 Subsection (b); or

3-23 (2) the fourth anniversary of the date of the  
 3-24 appointment or reappointment.

3-25 (e) If Subsection (d) applies, the owner or owners of a  
 3-26 majority of the assessed value of the real property in the district  
 3-27 according to the most recent certified tax appraisal roll for the  
 3-28 county may submit a petition to the Texas Commission on  
 3-29 Environmental Quality requesting that the commission appoint as  
 3-30 successor temporary directors the five persons named in the  
 3-31 petition. The commission shall appoint as successor temporary  
 3-32 directors the five persons named in the petition.

#### 3-33 SUBCHAPTER C. POWERS AND DUTIES

3-34 Sec. 3800.0301. GENERAL POWERS AND DUTIES. The district  
 3-35 has the powers and duties necessary to accomplish the purposes for  
 3-36 which the district is created.

3-37 Sec. 3800.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The  
 3-38 district, using any money available to the district for the  
 3-39 purpose, may provide, design, construct, acquire, improve,  
 3-40 relocate, operate, maintain, or finance an improvement project or  
 3-41 service authorized under this chapter or Chapter 375, Local  
 3-42 Government Code.

3-43 (b) The district may contract with a governmental or private  
 3-44 entity to carry out an action under Subsection (a).

3-45 (c) The implementation of a district project or service is a  
 3-46 governmental function or service for the purposes of Chapter 791,  
 3-47 Government Code.

3-48 Sec. 3800.0303. LAW ENFORCEMENT SERVICES. To protect the  
 3-49 public interest, the district may contract with a qualified party,  
 3-50 including the county, to provide law enforcement services in the  
 3-51 district for a fee.

3-52 Sec. 3800.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
 3-53 The district may join and pay dues to a charitable or nonprofit  
 3-54 organization that performs a service or provides an activity  
 3-55 consistent with the furtherance of a district purpose.

3-56 Sec. 3800.0305. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
 3-57 district may engage in activities that accomplish the economic  
 3-58 development purposes of the district.

3-59 (b) The district may establish and provide for the  
 3-60 administration of one or more programs to promote state or local  
 3-61 economic development and to stimulate business and commercial  
 3-62 activity in the district, including programs to:

3-63 (1) make loans and grants of public money; and

3-64 (2) provide district personnel and services.

3-65 (c) The district may create economic development programs  
 3-66 and exercise the economic development powers provided to  
 3-67 municipalities by:

3-68 (1) Chapter 380, Local Government Code; and

3-69 (2) Subchapter A, Chapter 1509, Government Code.

4-1 Sec. 3800.0306. PARKING FACILITIES. (a) The district may  
 4-2 acquire, lease as lessor or lessee, construct, develop, own,  
 4-3 operate, and maintain parking facilities or a system of parking  
 4-4 facilities, including lots, garages, parking terminals, or other  
 4-5 structures or accommodations for parking motor vehicles off the  
 4-6 streets and related appurtenances.

4-7 (b) The district's parking facilities serve the public  
 4-8 purposes of the district and are owned, used, and held for a public  
 4-9 purpose even if leased or operated by a private entity for a term of  
 4-10 years.

4-11 (c) The district's parking facilities are parts of and  
 4-12 necessary components of a street and are considered to be a street  
 4-13 or road improvement.

4-14 (d) The development and operation of the district's parking  
 4-15 facilities may be considered an economic development program.

4-16 Sec. 3800.0307. ADDING OR EXCLUDING LAND. The district may  
 4-17 add or exclude land in the manner provided by Subchapter J, Chapter  
 4-18 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

4-19 Sec. 3800.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
 4-20 board by resolution shall establish the number of directors'  
 4-21 signatures and the procedure required for a disbursement or  
 4-22 transfer of district money.

4-23 Sec. 3800.0309. NO EMINENT DOMAIN POWER. The district may  
 4-24 not exercise the power of eminent domain.

4-25 SUBCHAPTER D. ASSESSMENTS

4-26 Sec. 3800.0401. PETITION REQUIRED FOR FINANCING SERVICES  
 4-27 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
 4-28 service or improvement project with assessments under this chapter  
 4-29 unless a written petition requesting that service or improvement  
 4-30 has been filed with the board.

4-31 (b) A petition filed under Subsection (a) must be signed by  
 4-32 the owners of a majority of the assessed value of real property in  
 4-33 the district subject to assessment according to the most recent  
 4-34 certified tax appraisal roll for the county.

4-35 Sec. 3800.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
 4-36 The board by resolution may impose and collect an assessment for any  
 4-37 purpose authorized by this chapter in all or any part of the  
 4-38 district.

4-39 (b) An assessment, a reassessment, or an assessment  
 4-40 resulting from an addition to or correction of the assessment roll  
 4-41 by the district, penalties and interest on an assessment or  
 4-42 reassessment, an expense of collection, and reasonable attorney's  
 4-43 fees incurred by the district:

4-44 (1) are a first and prior lien against the property  
 4-45 assessed;

4-46 (2) are superior to any other lien or claim other than  
 4-47 a lien or claim for county, school district, or municipal ad valorem  
 4-48 taxes; and

4-49 (3) are the personal liability of and a charge against  
 4-50 the owners of the property even if the owners are not named in the  
 4-51 assessment proceedings.

4-52 (c) The lien is effective from the date of the board's  
 4-53 resolution imposing the assessment until the date the assessment is  
 4-54 paid. The board may enforce the lien in the same manner that the  
 4-55 board may enforce an ad valorem tax lien against real property.

4-56 (d) The board may make a correction to or deletion from the  
 4-57 assessment roll that does not increase the amount of assessment of  
 4-58 any parcel of land without providing notice and holding a hearing in  
 4-59 the manner required for additional assessments.

4-60 SUBCHAPTER E. TAXES AND BONDS

4-61 Sec. 3800.0501. TAX ELECTION REQUIRED. (a) The district  
 4-62 must hold an election in the manner provided by Chapter 49, Water  
 4-63 Code, or, if applicable, Chapter 375, Local Government Code, to  
 4-64 obtain voter approval before the district may impose an ad valorem  
 4-65 tax.

4-66 (b) Section 375.243, Local Government Code, does not apply  
 4-67 to the district.

4-68 Sec. 3800.0502. OPERATION AND MAINTENANCE TAX. (a) If  
 4-69 authorized by a majority of the district voters voting at an

5-1 election under Section 3800.0501, the district may impose an  
 5-2 operation and maintenance tax on taxable property in the district  
 5-3 in the manner provided by Section 49.107, Water Code, for any  
 5-4 district purpose, including to:

- 5-5 (1) maintain and operate the district;
- 5-6 (2) construct or acquire improvements; or
- 5-7 (3) provide a service.

5-8 (b) The board shall determine the operation and maintenance  
 5-9 tax rate. The rate may not exceed the rate approved at the  
 5-10 election.

5-11 Sec. 3800.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
 5-12 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
 5-13 terms determined by the board.

5-14 (b) The district may issue bonds, notes, or other  
 5-15 obligations payable wholly or partly from ad valorem taxes,  
 5-16 assessments, impact fees, revenue, contract payments, grants, or  
 5-17 other district money, or any combination of those sources of money,  
 5-18 to pay for any authorized district purpose.

5-19 (c) The limitation on the outstanding principal amount of  
 5-20 bonds, notes, or other obligations provided by Section 49.4645,  
 5-21 Water Code, does not apply to the district.

5-22 Sec. 3800.0504. BONDS SECURED BY REVENUE OR CONTRACT  
 5-23 PAYMENTS. The district may issue, without an election, bonds  
 5-24 secured by:

- 5-25 (1) revenue other than ad valorem taxes, including
- 5-26 contract revenues; or
- 5-27 (2) contract payments, provided that the requirements
- 5-28 of Section 49.108, Water Code, have been met.

5-29 Sec. 3800.0505. BONDS SECURED BY AD VALOREM TAXES;  
 5-30 ELECTIONS. (a) If authorized at an election under Section  
 5-31 3800.0501, the district may issue bonds payable from ad valorem  
 5-32 taxes.

5-33 (b) At the time the district issues bonds payable wholly or  
 5-34 partly from ad valorem taxes, the board shall provide for the annual  
 5-35 imposition of a continuing direct annual ad valorem tax, without  
 5-36 limit as to rate or amount, for each year that all or part of the  
 5-37 bonds are outstanding as required and in the manner provided by  
 5-38 Sections 54.601 and 54.602, Water Code.

5-39 (c) All or any part of any facilities or improvements that  
 5-40 may be acquired by a district by the issuance of its bonds may be  
 5-41 submitted as a single proposition or as several propositions to be  
 5-42 voted on at the election.

5-43 Sec. 3800.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
 5-44 board may not issue bonds until each municipality in whose  
 5-45 corporate limits or extraterritorial jurisdiction the district is  
 5-46 located has consented by ordinance or resolution to the creation of  
 5-47 the district and to the inclusion of land in the district, as  
 5-48 required by applicable law.

5-49 (b) This section applies only to the district's first  
 5-50 issuance of bonds payable from ad valorem taxes.

#### 5-51 SUBCHAPTER F. SALES AND USE TAX

5-52 Sec. 3800.0601. APPLICABILITY OF CERTAIN TAX CODE  
 5-53 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
 5-54 computation, administration, enforcement, and collection of the  
 5-55 sales and use tax authorized by this subchapter except to the extent  
 5-56 Chapter 321, Tax Code, is inconsistent with this chapter.

5-57 (b) A reference in Chapter 321, Tax Code, to a municipality  
 5-58 or the governing body of a municipality is a reference to the  
 5-59 district or the board, respectively.

5-60 Sec. 3800.0602. ELECTION; ADOPTION OF TAX. (a) The  
 5-61 district may adopt a sales and use tax if authorized by a majority  
 5-62 of the voters of the district voting at an election held for that  
 5-63 purpose.

5-64 (b) The board by order may call an election to authorize the  
 5-65 adoption of the sales and use tax. The election may be held on any  
 5-66 uniform election date and in conjunction with any other district  
 5-67 election.

5-68 (c) The ballot shall be printed to provide for voting for or  
 5-69 against the proposition: "Authorization of a sales and use tax in

6-1 the Montgomery County Management District No. 2 at a rate not to  
 6-2 exceed \_\_\_\_\_ percent" (insert rate of one or more increments of  
 6-3 one-eighth of one percent).

6-4 Sec. 3800.0603. SALES AND USE TAX RATE. (a) On or after the  
 6-5 date the results are declared of an election held under Section  
 6-6 3800.0602 at which the voters approved imposition of the tax  
 6-7 authorized by this subchapter, the board shall determine and adopt  
 6-8 by resolution or order the initial rate of the tax, which must be in  
 6-9 one or more increments of one-eighth of one percent.

6-10 (b) After the authorization of a tax under Section  
 6-11 3800.0602, the board may increase or decrease the rate of the tax by  
 6-12 one or more increments of one-eighth of one percent.

6-13 (c) The board may not decrease the rate of the tax if the  
 6-14 decrease would impair the repayment of any outstanding debt or  
 6-15 obligation payable from the tax.

6-16 (d) The initial rate of the tax or any rate resulting from  
 6-17 subsequent increases or decreases may not exceed the lesser of:

6-18 (1) the maximum rate authorized by the district voters  
 6-19 at the election held under Section 3800.0602; or

6-20 (2) a rate that, when added to the rates of all sales  
 6-21 and use taxes imposed by other political subdivisions with  
 6-22 territory in the district, would result in the maximum combined  
 6-23 rate prescribed by Section 321.101(f), Tax Code, at any location in  
 6-24 the district.

6-25 (e) In determining whether the combined sales and use tax  
 6-26 rate under Subsection (d)(2) would exceed the maximum combined rate  
 6-27 prescribed by Section 321.101(f), Tax Code, at any location in the  
 6-28 district, the board shall include:

6-29 (1) any sales and use tax imposed by a political  
 6-30 subdivision whose territory overlaps all or part of the district;

6-31 (2) any sales and use tax to be imposed by the county  
 6-32 or a municipality in which the district is located as a result of an  
 6-33 election held on the same date as the election held under Section  
 6-34 3800.0602; and

6-35 (3) any increase to an existing sales and use tax  
 6-36 imposed by the county or a municipality in which the district is  
 6-37 located as a result of an election held on the same date as the  
 6-38 election held under Section 3800.0602.

6-39 (f) If the district adopts a sales and use tax authorized at  
 6-40 an election under Section 3800.0602 and subsequently includes new  
 6-41 territory in the district, the district:

6-42 (1) is not required to hold another election to  
 6-43 approve the imposition of the sales and use tax in the included  
 6-44 territory; and

6-45 (2) shall impose the sales and use tax in the included  
 6-46 territory as provided by Chapter 321, Tax Code.

6-47 (g) If the district adopts a sales and use tax authorized at  
 6-48 an election under Section 3800.0602 and subsequently excludes  
 6-49 territory in the district, the sales and use tax is inapplicable to  
 6-50 the excluded territory as provided by Chapter 321, Tax Code, but is  
 6-51 applicable to the territory remaining in the district.

6-52 Sec. 3800.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This  
 6-53 section applies to the district after a municipality annexes part  
 6-54 of the territory in the district and imposes the municipality's  
 6-55 sales and use tax in the annexed territory.

6-56 (b) If at the time of annexation the district has  
 6-57 outstanding debt or other obligations payable wholly or partly from  
 6-58 district sales and use tax revenue, Section 321.102(g), Tax Code,  
 6-59 applies to the district.

6-60 (c) If at the time of annexation the district does not have  
 6-61 outstanding debt or other obligations payable wholly or partly from  
 6-62 district sales and use tax revenue, the district may:

6-63 (1) exclude the annexed territory from the district,  
 6-64 if the district has no outstanding debt or other obligations  
 6-65 payable from any source; or

6-66 (2) reduce the sales and use tax in the annexed  
 6-67 territory by resolution or order of the board to a rate that, when  
 6-68 added to the sales and use tax rate imposed by the municipality in  
 6-69 the annexed territory, is equal to the sales and use tax rate

7-1 imposed by the district in the district territory that was not  
 7-2 annexed by the municipality.

7-3 Sec. 3800.0605. NOTIFICATION OF RATE CHANGE. The board  
 7-4 shall notify the comptroller of any changes made to the tax rate  
 7-5 under this subchapter in the same manner the municipal secretary  
 7-6 provides notice to the comptroller under Section 321.405(b), Tax  
 7-7 Code.

7-8 Sec. 3800.0606. USE OF REVENUE. Revenue from the sales and  
 7-9 use tax imposed under this subchapter is for the use and benefit of  
 7-10 the district and may be used for any district purpose. The district  
 7-11 may pledge all or part of the revenue to the payment of bonds,  
 7-12 notes, or other obligations, and that pledge of revenue may be in  
 7-13 combination with other revenue, including tax revenue, available to  
 7-14 the district.

7-15 Sec. 3800.0607. ABOLITION OF TAX. (a) Except as provided  
 7-16 by Subsection (b), the board may abolish the tax imposed under this  
 7-17 subchapter without an election.

7-18 (b) The board may not abolish the tax imposed under this  
 7-19 subchapter if the district has any outstanding debt or obligation  
 7-20 secured by the tax, and repayment of the debt or obligation would be  
 7-21 impaired by the abolition of the tax.

7-22 (c) If the board abolishes the tax, the board shall notify  
 7-23 the comptroller of that action in the same manner the municipal  
 7-24 secretary provides notice to the comptroller under Section  
 7-25 321.405(b), Tax Code.

7-26 (d) If the board abolishes the tax or decreases the tax rate  
 7-27 to zero, a new election to authorize a sales and use tax must be held  
 7-28 under Section 3800.0602 before the district may subsequently impose  
 7-29 the tax.

7-30 (e) This section does not apply to a decrease in the sales  
 7-31 and use tax authorized under Section 3800.0604(c)(2).

#### 7-32 SUBCHAPTER I. DISSOLUTION

7-33 Sec. 3800.0901. DISSOLUTION. (a) The board shall dissolve  
 7-34 the district on written petition filed with the board by the owners  
 7-35 of at least two-thirds of the assessed value of the property subject  
 7-36 to assessment or taxation by the district based on the most recent  
 7-37 certified county property tax rolls.

7-38 (b) The board by majority vote may dissolve the district at  
 7-39 any time.

7-40 (c) The district may not be dissolved by its board under  
 7-41 Subsection (a) or (b) if the district:

7-42 (1) has any outstanding bonded indebtedness until that  
 7-43 bonded indebtedness has been repaid or defeased in accordance with  
 7-44 the order or resolution authorizing the issuance of the bonds;

7-45 (2) has a contractual obligation to pay money until  
 7-46 that obligation has been fully paid in accordance with the  
 7-47 contract; or

7-48 (3) owns, operates, or maintains public works,  
 7-49 facilities, or improvements unless the district contracts with  
 7-50 another person for the ownership, operation, or maintenance of the  
 7-51 public works, facilities, or improvements.

7-52 (d) Sections 375.261, 375.262, and 375.264, Local  
 7-53 Government Code, do not apply to the district.

7-54 SECTION 2. The Montgomery County Management District No. 2  
 7-55 initially includes all territory contained in the following area:  
 7-56 Being 57.4 acres of land, more or less, located in the Raleigh  
 7-57 Rogers Survey, Abstract 33, Montgomery County, Texas, out of land  
 7-58 conveyed to Homeplace Lands, LLC, as recorded under Clerk's File  
 7-59 No. 2012125424 of the Official Public Records of Real Property,  
 7-60 Montgomery County, Texas, (O.P.R.M.C.), being comprised of three  
 7-61 (3) tracts as described below; said 57.4 acres, more or less, being  
 7-62 more particularly described as follows, with all bearings  
 7-63 referenced to the Texas Coordinate System, Central Zone, NAD83  
 7-64 (NA2011) Epoch 2010.00:

7-65 TRACT 1: 8.1 Acres

7-66 BEGINNING at a corner of a 50 acre tract (Tract 7), as  
 7-67 recorded under Clerk's File No. 2012125424 of the O.P.R.M.C., also  
 7-68 being the northeast corner of an 18.69 acre tract as described under  
 7-69 Clerk's File No. 2005-078277 of the Official Public Records of Real

8-1 Property Montgomery County, Texas (O.P.R.R.P.M.C.), lying in the  
8-2 westerly right-of-way line of F.M. 2854;  
8-3 THENCE SOUTHWESTERLY approximately 612 feet, more or less,  
8-4 with and adjoining the northerly line of said 18.69 acre tract, to  
8-5 an easterly corner of a 123.962 acre tract as defined under Clerk's  
8-6 File No. 2009-017518 of the O.P.R.R.P.M.C.,  
8-7 THENCE NORTHWESTERLY approximately 512 feet, more or less,  
8-8 with and adjoining an easterly line of said 123.962 acre tract, also  
8-9 being the centerline of the meanders of MOUND CREEK, to a westerly  
8-10 corner of the herein described tract, lying in a southerly  
8-11 right-of-way line of a proposed 80 foot public road, as reserved in  
8-12 document recorded under Clerk's File No. 2009-017518;  
8-13 THENCE NORTHEASTERLY approximately 729 feet, more or less,  
8-14 with and adjoining said southerly line of said proposed 80 foot  
8-15 public road, to the southwesterly right-of-way line of F.M. 2854  
8-16 (width varies);  
8-17 THENCE SOUTHEASTERLY approximately 586 feet, more or less,  
8-18 with and adjoining said southwesterly right-of-way line of F.M.  
8-19 2854, to the POINT OF BEGINNING, and containing approximately 8.1  
8-20 acres of land. This document was prepared under 22 Texas  
8-21 Administrative Code §138.95, does not reflect the results of an on  
8-22 the ground survey, and is not to be used to convey or establish  
8-23 interests in real property except those rights and interests  
8-24 implied or established by the creation or reconfiguration of the  
8-25 boundary of the political subdivision for which it was prepared.  
8-26 TRACT 2: 25.7 Acres  
8-27 COMMENCING at a southeast corner of a 50 acre tract (Tract 7),  
8-28 as recorded under Clerk's File No. 2012125424 of the O.P.R.M.C.,  
8-29 also being the northeast corner of an 18.69 acre tract as described  
8-30 under Clerk's File No. 2005-078277 of the Official Public Records  
8-31 of Real Property Montgomery County, Texas (O.P.R.R.P.M.C.), lying  
8-32 in the westerly right-of-way line of F.M. 2854;  
8-33 THENCE NORTHWESTERLY approximately 716.1 feet, more or less,  
8-34 with and adjoining said southwesterly right-of-way line of F.M.  
8-35 2854, to the POINT OF BEGINNING of the herein described tract, also  
8-36 being the intersection of the northerly line of a right-of-way line  
8-37 of a proposed 80 foot public road, (southerly alignment) as  
8-38 reserved in document recorded under Clerk's File No. 2009-017518 of  
8-39 the O.P.R.R.P.M.C., and the southwesterly right-of-way line of said  
8-40 F.M. 2854, said public road being a portion of a 123.962 acre tract  
8-41 described under Clerk's File No. 2009-017518 of the  
8-42 O.P.R.R.P.M.C.;  
8-43 THENCE SOUTHWESTERLY approximately 810 feet, more or less,  
8-44 with and adjoining the northwesterly line of said proposed 80 feet  
8-45 public road, to centerline of MOUND CREEK and easterly line of said  
8-46 123.962 acre tract;  
8-47 THENCE NORTHWESTERLY approximately 2,239 feet, more or less,  
8-48 with and adjoining said easterly line of the 123.962 acre tract,  
8-49 also being the meanders of MOUND CREEK, to the northwest corner of  
8-50 the herein described tract, lying in the northwesterly line of said  
8-51 123.962 acre tract, also being a northwesterly corner of a 0.8579  
8-52 acre tract as recorded under Clerk's File No. 2018005220 of the  
8-53 O.P.R.M.C.;  
8-54 THENCE NORTHEASTERLY approximately 859 feet, more or less,  
8-55 with and adjoining the northwesterly line of said 0.8579 acre  
8-56 tract, to a northerly corner of the herein described tract, lying in  
8-57 the southwesterly right-of-way line of said F.M. 2854;  
8-58 THENCE SOUTHEASTERLY approximately 1,268 feet, more or less,  
8-59 with and adjoining said southwesterly right-of-way line of F.M.  
8-60 2854, to the POINT OF BEGINNING, and containing approximately 25.7  
8-61 acres. This document was prepared under 22 Texas Administrative  
8-62 Code §138.95, does not reflect the results of an on the ground  
8-63 survey, and is not to be used to convey or establish interests in  
8-64 real property except those rights and interests implied or  
8-65 established by the creation or reconfiguration of the boundary of  
8-66 the political subdivision for which it was prepared.  
8-67 TRACT 3: 23.6 Acres  
8-68 BEGINNING at a northeast corner of an 18.984 acre tract, as  
8-69 described in a deed recorded under Clerk's File No. 8216886 of the



9-1 Official Public Records of Real Property Montgomery County, Texas  
9-2 (O.P.R.R.P.M.C.), lying in the southwesterly right-of-way line of  
9-3 F.M. 2854;

9-4 THENCE SOUTHEASTERLY approximately 982 feet, more or less,  
9-5 with and adjoining said southwesterly right-of-way line of F.M.  
9-6 2854, to the southeast corner of the herein described tract, also  
9-7 being the north corner of a 0.8579 acre tract as recorded under  
9-8 Clerk's File No. 2018005219 of the Official Public Records of  
9-9 Montgomery County, Texas (O.P.R.M.C.);

9-10 THENCE SOUTHWESTERLY approximately 1,174 feet, more or less,  
9-11 with and adjoining the northwesterly line of said 0.8579 acre tract  
9-12 and a 2.975 acre tract as recorded under Clerk's File No, 2018005218  
9-13 of the O.P.R.M.C., to a southwesterly corner of the herein  
9-14 described tract;

9-15 THENCE NORTHWESTERLY approximately 353 feet, more or less, to  
9-16 a westerly corner of the herein described tract, also being the  
9-17 southwest corner of said 18.984 acre tract;

9-18 THENCE NORTHERLY approximately 950 feet, more or less, to a  
9-19 northwesterly corner of the herein described tract;

9-20 THENCE NORTHEASTERLY approximately 523 feet, more or less, to  
9-21 the POINT OF BEGINNING, and containing approximately 23.6 acres.  
9-22 This document was prepared under 22 Texas Administrative Code  
9-23 §138.95, does not reflect the results of an on the ground survey,  
9-24 and is not to be used to convey or establish interests in real  
9-25 property except those rights and interests implied or established  
9-26 by the creation or reconfiguration of the boundary of the political  
9-27 subdivision for which it was prepared.

9-28 SECTION 3. (a) The legal notice of the intention to  
9-29 introduce this Act, setting forth the general substance of this  
9-30 Act, has been published as provided by law, and the notice and a  
9-31 copy of this Act have been furnished to all persons, agencies,  
9-32 officials, or entities to which they are required to be furnished  
9-33 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
9-34 Government Code.

9-35 (b) The governor, one of the required recipients, has  
9-36 submitted the notice and Act to the Texas Commission on  
9-37 Environmental Quality.

9-38 (c) The Texas Commission on Environmental Quality has filed  
9-39 its recommendations relating to this Act with the governor,  
9-40 lieutenant governor, and speaker of the house of representatives  
9-41 within the required time.

9-42 (d) All requirements of the constitution and laws of this  
9-43 state and the rules and procedures of the legislature with respect  
9-44 to the notice, introduction, and passage of this Act have been  
9-45 fulfilled and accomplished.

9-46 SECTION 4. This Act takes effect immediately if it receives  
9-47 a vote of two-thirds of all the members elected to each house, as  
9-48 provided by Section 39, Article III, Texas Constitution. If this  
9-49 Act does not receive the vote necessary for immediate effect, this  
9-50 Act takes effect September 1, 2023.

9-51

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