

1-1 By: Creighton S.B. No. 2597
 1-2 (In the Senate - Filed April 5, 2023; April 11, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 28, 2023, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; April 28, 2023, sent to printer.)

1-6 COMMITTEE VOTE

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

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

1-19 relating to the creation of the Montgomery County Municipal Utility
 1-20 District No. 237; 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 7981A to read as follows:

1-26 CHAPTER 7981A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO.
 1-27 237

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 7981A.0101. DEFINITIONS. In this chapter:

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

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

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

1-34 (4) "District" means the Montgomery County Municipal
 1-35 Utility District No. 237.

1-36 Sec. 7981A.0102. NATURE OF DISTRICT. The district is a
 1-37 municipal utility district created under Section 59, Article XVI,
 1-38 Texas Constitution.

1-39 Sec. 7981A.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-40 REQUIRED. The temporary directors shall hold an election to
 1-41 confirm the creation of the district and to elect five permanent
 1-42 directors as provided by Section 49.102, Water Code.

1-43 Sec. 7981A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-44 temporary directors may not hold an election under Section
 1-45 7981A.0103 until each municipality in whose corporate limits or
 1-46 extraterritorial jurisdiction the district is located has
 1-47 consented by ordinance or resolution to the creation of the
 1-48 district and to the inclusion of land in the district as required by
 1-49 applicable law.

1-50 Sec. 7981A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
 1-51 (a) The district is created to serve a public purpose and benefit.

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

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

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

1-59 Sec. 7981A.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-60 district is initially composed of the territory described by
 1-61 Section 2 of the Act enacting this chapter.

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

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

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 7981A.0201. GOVERNING BODY; TERMS. (a) The district
 2-13 is governed by a board of five elected directors.

2-14 (b) Except as provided by Section 7981A.0202, directors
 2-15 serve staggered four-year terms.

2-16 Sec. 7981A.0202. TEMPORARY DIRECTORS. (a) On or after the
 2-17 effective date of the Act enacting this chapter, the owner or owners
 2-18 of a majority of the assessed value of the real property in the
 2-19 district may submit a petition to the commission requesting that
 2-20 the commission appoint as temporary directors the five persons
 2-21 named in the petition. The commission shall appoint as temporary
 2-22 directors the five persons named in the petition.

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

- 2-24 (1) the date permanent directors are elected under
 2-25 Section 7981A.0103; or
- 2-26 (2) the fourth anniversary of the effective date of
 2-27 the Act enacting this chapter.

2-28 (c) If permanent directors have not been elected under
 2-29 Section 7981A.0103 and the terms of the temporary directors have
 2-30 expired, successor temporary directors shall be appointed or
 2-31 reappointed as provided by Subsection (d) to serve terms that
 2-32 expire on the earlier of:

- 2-33 (1) the date permanent directors are elected under
 2-34 Section 7981A.0103; or
- 2-35 (2) the fourth anniversary of the date of the
 2-36 appointment or reappointment.

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

2-44 SUBCHAPTER C. POWERS AND DUTIES

2-45 Sec. 7981A.0301. GENERAL POWERS AND DUTIES. The district
 2-46 has the powers and duties necessary to accomplish the purposes for
 2-47 which the district is created.

2-48 Sec. 7981A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-49 DUTIES. The district has the powers and duties provided by the
 2-50 general law of this state, including Chapters 49 and 54, Water Code,
 2-51 applicable to municipal utility districts created under Section 59,
 2-52 Article XVI, Texas Constitution.

2-53 Sec. 7981A.0303. AUTHORITY FOR ROAD PROJECTS. Under
 2-54 Section 52, Article III, Texas Constitution, the district may
 2-55 design, acquire, construct, finance, issue bonds for, improve,
 2-56 operate, maintain, and convey to this state, a county, or a
 2-57 municipality for operation and maintenance macadamized, graveled,
 2-58 or paved roads, or improvements, including storm drainage, in aid
 2-59 of those roads.

2-60 Sec. 7981A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-61 road project must meet all applicable construction standards,
 2-62 zoning and subdivision requirements, and regulations of each
 2-63 municipality in whose corporate limits or extraterritorial
 2-64 jurisdiction the road project is located.

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

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

3-4 Sec. 7981A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
3-5 ORDINANCE OR RESOLUTION. The district shall comply with all
3-6 applicable requirements of any ordinance or resolution that is
3-7 adopted under Section 54.016 or 54.0165, Water Code, and that
3-8 consents to the creation of the district or to the inclusion of land
3-9 in the district.

3-10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-11 Sec. 7981A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-12 The district may issue, without an election, bonds and other
3-13 obligations secured by:

- 3-14 (1) revenue other than ad valorem taxes; or
- 3-15 (2) contract payments described by Section
3-16 7981A.0403.

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

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

3-25 Sec. 7981A.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-26 authorized at an election held under Section 7981A.0401, the
3-27 district may impose an operation and maintenance tax on taxable
3-28 property in the district in accordance with Section 49.107, Water
3-29 Code.

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

3-32 Sec. 7981A.0403. CONTRACT TAXES. (a) In accordance with
3-33 Section 49.108, Water Code, the district may impose a tax other than
3-34 an operation and maintenance tax and use the revenue derived from
3-35 the tax to make payments under a contract after the provisions of
3-36 the contract have been approved by a majority of the district voters
3-37 voting at an election held for that purpose.

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

3-41 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-42 Sec. 7981A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-43 OBLIGATIONS. The district may issue bonds or other obligations
3-44 payable wholly or partly from ad valorem taxes, impact fees,
3-45 revenue, contract payments, grants, or other district money, or any
3-46 combination of those sources, to pay for any authorized district
3-47 purpose.

3-48 Sec. 7981A.0502. TAXES FOR BONDS. At the time the district
3-49 issues bonds payable wholly or partly from ad valorem taxes, the
3-50 board shall provide for the annual imposition of a continuing
3-51 direct ad valorem tax, without limit as to rate or amount, while all
3-52 or part of the bonds are outstanding as required and in the manner
3-53 provided by Sections 54.601 and 54.602, Water Code.

3-54 Sec. 7981A.0503. BONDS FOR ROAD PROJECTS. At the time of
3-55 issuance, the total principal amount of bonds or other obligations
3-56 issued or incurred to finance road projects and payable from ad
3-57 valorem taxes may not exceed one-fourth of the assessed value of the
3-58 real property in the district.

3-59 SECTION 2. Montgomery County Municipal Utility District
3-60 No. 237 initially includes all the territory contained in the
3-61 following area:

3-62 A 387.6058 ACRE TRACT OF IN THE S. TERRY SURVEY, ABSTRACT NO.
3-63 564, AND IN THE MARSHALL H. SHORT SURVEY, ABSTRACT NO. 535,
3-64 MONTGOMERY COUNTY, BEING OUT OF AND A PART OF A CALLED 1,702.2 ACRE
3-65 TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF 1992 GUNIGANTI CREDIT
3-66 SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY TRUSTS AS RECORDED UNDER
3-67 MONTGOMERY COUNTY CLERK'S FILE NUMBER (M.C.C.F. NO.) 2019097078
3-68 (DESCRIBED UNDER M.C.C.F. NO. 2012127211), THE SAID 387.6058 ACRE
3-69 TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS

4-1 FOLLOWS, (WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF
4-2 1983, CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS):
4-3 COMMENCING at a 3/4-inch iron rod found marking an angle in
4-4 the west line of said 1,702.2 acre tract, and the west line of a
4-5 called 150.00 acre tract, conveyed to TC LB Royal Pines, LP as
4-6 recorded under M.C.C.F. NO. 2021171601;
4-7 THENCE, North 03°35'35" West, along the west line of said
4-8 1,702.2 acre tract, and said 150.00 acre tract, passing at a
4-9 distance of 10.54 feet, a found 5/8" iron rod with cap stamped
4-10 "TERRA", passing at a distance of 874 feet, the approximate
4-11 centerline of White Oak Creek, being the northwest corner of the
4-12 said 150.00 acre tract, continuing along the west line of said
4-13 1,702.2 acre tract a total distance of 2,433.36 feet, to the
4-14 southwest corner and POINT OF BEGINNING of the herein described
4-15 tract;
4-16 THENCE, North 03°35'35" West, continuing along said line, a
4-17 distance of 2,139.24 feet to a 1/2" iron rod found marking the
4-18 northeast corner of Lot 6, Block 3, White Oak Crossing Sec 4 (WOC4),
4-19 map or plat thereof recorded under Cabinet (Cab.) Z, Sheet (Sht.)
4-20 3640 of the Montgomery County Map Records (M.C.M.R.), and an
4-21 interior corner of said 1,702.2 acre tract, and the herein
4-22 described tract;
4-23 THENCE, South 87°08'26" West, along the north lines of said
4-24 WOC4, and White Oak Crossing Sec 3 (WOC3), map or plat thereof
4-25 recorded under Cab. Z, Sht. 2286 M.C.M.R., common with the
4-26 southerly line of said 1,702.2 acre tract and the herein described
4-27 tract, a distance of 2,132.46 feet, to a 5/8" iron rod with cap
4-28 stamped "HOVIS" found marking the northwest corner of Lot 19, Block
4-29 5, of said WOC3;
4-30 THENCE, North 02°20'49" West, along the east line of said
4-31 WOC3, common with the west line of said 1,702.2 acre tract, a
4-32 distance of 2,206.27 feet, to the most easterly northeast corner of
4-33 said WOC3, and the southeast corner of a called 19.14 acre tract
4-34 conveyed to Prabhakar R. Guniganti as recorded under M.C.C.F. NO.
4-35 2016114018, and an exterior corner of the herein described tract;
4-36 THENCE, South 86°41'57" West, along the southerly line of
4-37 said 19.14 acre tract, common with the northerly line of said WOC3,
4-38 a distance of 432.45 feet, to the southwest corner of said 19.14
4-39 acre tract, and an exterior corner of the herein described tract;
4-40 THENCE, North 02°19'57" West, along the west line of said
4-41 19.14 acre tract, passing at a distance of 2,046.52 feet the
4-42 northwest corner of said 19.14 acre tract, and an exterior corner of
4-43 aforesaid 1,702.2 acre tract, continuing along the west line of
4-44 said 1,702.2 acre tract a total distance of 2,515.79 feet, to the
4-45 northwest corner of the herein described tract;
4-46 THENCE, departing said line, and over and across said 1,702.2
4-47 acre tract the following seventeen (17) courses and distances:
4-48 South 68°09'29" East, a distance of 4,491.85 feet, to
4-49 the beginning of a curve to the right;
4-50 In a southerly direction, along said curve to the right,
4-51 having a radius of 2,050.00 feet, a central angle of 15°36'33"
4-52 (chord bears South 07°15'23" West, 556.76 feet) and an arc distance
4-53 of 558.49 feet, to the point of tangency;
4-54 South 15°03'39" West, a distance of 882.15 feet, to the
4-55 beginning of a curve to the left;
4-56 In a southerly direction, along said curve to the left,
4-57 having a radius of 1,950.00 feet, a central angle of 07°44'29"
4-58 (chord bears South 11°11'25" West, 263.27 feet) and an arc distance
4-59 of 263.47 feet, to the beginning of a compound curve to the left;
4-60 In a southeasterly direction, along said compound curve
4-61 to the left, having a radius of 25.00 feet, a central angle of
4-62 91°48'57" (chord bears South 38°35'18" East, 35.91 feet) and an arc
4-63 distance of 40.06 feet, to the point of tangency;
4-64 South 06°10'01" West, a distance of 50.00 feet, to the
4-65 beginning of a curve to the left;
4-66 In a southwesterly direction, along said curve to the
4-67 left, having a radius of 25.00 feet, a central angle of 91°08'39"
4-68 (chord bears South 49°54'53" West, 35.71 feet) and an arc distance
4-69 of 39.77 feet, to the point of compound curvature;

5-1 In a southerly direction, along said compound curve to
5-2 the left, having a radius of 1,950.00 feet, a central angle of
5-3 23°31'46" (chord bears South 07°25'20" East, 795.19 feet) and an arc
5-4 distance of 800.80 feet, to the point of tangency;

5-5 South 19°11'13" East, a distance of 1,066.21 feet, to
5-6 the beginning of a curve to the right;

5-7 In a southerly direction, along said curve to the right,
5-8 having a radius of 2,050.00 feet, a central angle of 07°32'44"
5-9 (chord bears South 15°24'51" East, 269.78 feet) and an arc distance
5-10 of 269.97 feet, to the point of reverse curvature;

5-11 In a southeasterly direction, along said reverse curve
5-12 to the left, having a radius of 25.00 feet, a central angle of
5-13 88°28'52" (chord bears South 55°52'55" East, 34.88 feet) and an arc
5-14 distance of 38.61 feet, to the point of tangency;

5-15 South 10°07'21" East, a distance of 60.00 feet, to the
5-16 beginning of a curve to the left;

5-17 In a southwesterly direction, along said curve to the
5-18 left, having a radius of 25.00 feet, a central angle of 88°28'52"
5-19 (chord bears South 35°38'13" West, 34.88 feet) and an arc distance
5-20 of 38.61 feet, to the point of reverse curvature;

5-21 In a southerly direction, along said reverse curve to
5-22 the right, having a radius of 2,050.00 feet, a central angle of
5-23 14°38'26" (chord bears South 01°17'00" East, 522.40 feet) and an arc
5-24 distance of 523.83 feet, to the point of tangency;

5-25 South 06°02'13" West, a distance of 580.47 feet, to the
5-26 southeast corner of the herein described tract;

5-27 South 87°48'48" West, a distance of 101.04 feet, to the
5-28 beginning of a curve to the left;

5-29 In a northwesterly direction, along said curve to the
5-30 left, having a radius of 25.00 feet, a central angle of 98°13'24"
5-31 (chord bears North 43°04'30" West, 37.80 feet) and an arc distance
5-32 of 42.86 feet, to the end of said curve;

5-33 THENCE, South 87°48'48" West, a distance of 1,288.88 feet, to
5-34 the POINT OF BEGINNING, and containing 387.6058 acres of land.

5-35 SECTION 3. (a) The legal notice of the intention to
5-36 introduce this Act, setting forth the general substance of this
5-37 Act, has been published as provided by law, and the notice and a
5-38 copy of this Act have been furnished to all persons, agencies,
5-39 officials, or entities to which they are required to be furnished
5-40 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-41 Government Code.

5-42 (b) The governor, one of the required recipients, has
5-43 submitted the notice and Act to the Texas Commission on
5-44 Environmental Quality.

5-45 (c) The Texas Commission on Environmental Quality has filed
5-46 its recommendations relating to this Act with the governor, the
5-47 lieutenant governor, and the speaker of the house of
5-48 representatives within the required time.

5-49 (d) All requirements of the constitution and laws of this
5-50 state and the rules and procedures of the legislature with respect
5-51 to the notice, introduction, and passage of this Act are fulfilled
5-52 and accomplished.

5-53 SECTION 4. (a) If this Act does not receive a two-thirds
5-54 vote of all the members elected to each house, Subchapter C, Chapter
5-55 7981A, Special District Local Laws Code, as added by Section 1 of
5-56 this Act, is amended by adding Section 7981A.0306 to read as
5-57 follows:

5-58 Sec. 7981A.0306. NO EMINENT DOMAIN POWER. The district may
5-59 not exercise the power of eminent domain.

5-60 (b) This section is not intended to be an expression of a
5-61 legislative interpretation of the requirements of Section 17(c),
5-62 Article I, Texas Constitution.

5-63 SECTION 5. This Act takes effect immediately if it receives
5-64 a vote of two-thirds of all the members elected to each house, as
5-65 provided by Section 39, Article III, Texas Constitution. If this
5-66 Act does not receive the vote necessary for immediate effect, this
5-67 Act takes effect September 1, 2023.