

By: Bell

H.B. No. 1506

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Montgomery County Municipal Utility  
3 District No. 106; granting a limited power of eminent domain;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, and taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
8 Code, is amended by adding Chapter 8420 to read as follows:

9 CHAPTER 8420. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 106

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8420.001. DEFINITIONS. In this chapter:

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

13 (2) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (3) "Director" means a board member.

16 (4) "District" means the Montgomery County Municipal  
17 Utility District No. 106.

18 Sec. 8420.002. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 8420.003. CONFIRMATION AND DIRECTORS' ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.

1       Sec. 8420.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 8420.003  
3 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 8420.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
8 The district is created to serve a public purpose and benefit.

9       (b) The district is created to accomplish the purposes of:

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

12           (2) Section 52, Article III, Texas Constitution, that  
13 relate to the construction, acquisition, improvement, operation,  
14 or maintenance of macadamized, graveled, or paved roads, or  
15 improvements, including storm drainage, in aid of those roads.

16       Sec. 8420.006. INITIAL DISTRICT TERRITORY. (a) The  
17 district is initially composed of the territory described by  
18 Section 2 of the Act enacting this chapter.

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

23           (1) organization, existence, or validity;

24           (2) right to issue any type of bond for the purposes  
25 for which the district is created or to pay the principal of and  
26 interest on a bond;

27           (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 8420.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 8420.052, directors serve  
6 staggered four-year terms.

7           Sec. 8420.052. TEMPORARY DIRECTORS. (a) On or after the  
8 effective date of the Act enacting this chapter, the owner or owners  
9 of a majority of the assessed value of the real property in the  
10 district may submit a petition to the commission requesting that  
11 the commission appoint as temporary directors the five persons  
12 named in the petition. The commission shall appoint as temporary  
13 directors the five persons named in the petition.

14           (b) Temporary directors serve until the earlier of:

15                   (1) the date permanent directors are elected under  
16 Section 8420.003; or

17                   (2) the fourth anniversary of the effective date of  
18 the Act enacting this chapter.

19           (c) If permanent directors have not been elected under  
20 Section 8420.003 and the terms of the temporary directors have  
21 expired, successor temporary directors shall be appointed or  
22 reappointed as provided by Subsection (d) to serve terms that  
23 expire on the earlier of:

24                   (1) the date permanent directors are elected under  
25 Section 8420.003; or

26                   (2) the fourth anniversary of the date of the  
27 appointment or reappointment.

1       (d) If Subsection (c) applies, the owner or owners of a  
2 majority of the assessed value of the real property in the district  
3 may submit a petition to the commission requesting that the  
4 commission appoint as successor temporary directors the five  
5 persons named in the petition. The commission shall appoint as  
6 successor temporary directors the five persons named in the  
7 petition.

8                   SUBCHAPTER C. POWERS AND DUTIES

9       Sec. 8420.101. GENERAL POWERS AND DUTIES. The district has  
10 the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12       Sec. 8420.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17       Sec. 8420.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

23       Sec. 8420.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
24 project must meet all applicable construction standards, zoning and  
25 subdivision requirements, and regulations of each municipality in  
26 whose corporate limits or extraterritorial jurisdiction the road  
27 project is located.

1       (b) If a road project is not located in the corporate limits  
2 or extraterritorial jurisdiction of a municipality, the road  
3 project must meet all applicable construction standards, zoning and  
4 subdivision requirements, and regulations of each county in which  
5 the road project is located.

6       (c) If the state will maintain and operate the road, the  
7 Texas Transportation Commission must approve the plans and  
8 specifications of the road project.

9       Sec. 8420.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
10 OR RESOLUTION. The district shall comply with all applicable  
11 requirements of any ordinance or resolution that is adopted under  
12 Section 54.016 or 54.0165, Water Code, and that consents to the  
13 creation of the district or to the inclusion of land in the  
14 district.

15               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16       Sec. 8420.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
17 district may issue, without an election, bonds and other  
18 obligations secured by:

19               (1) revenue other than ad valorem taxes; or

20               (2) contract payments described by Section 8420.153.

21       (b) The district must hold an election in the manner  
22 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
23 before the district may impose an ad valorem tax or issue bonds  
24 payable from ad valorem taxes.

25       (c) The district may not issue bonds payable from ad valorem  
26 taxes to finance a road project unless the issuance is approved by a  
27 vote of a two-thirds majority of the district voters voting at an

1 election held for that purpose.

2 Sec. 8420.152. OPERATION AND MAINTENANCE TAX. (a) If  
3 authorized at an election held under Section 8420.151, the district  
4 may impose an operation and maintenance tax on taxable property in  
5 the district in accordance with Section 49.107, Water Code.

6 (b) The board shall determine the tax rate. The rate may not  
7 exceed the rate approved at the election.

8 Sec. 8420.153. CONTRACT TAXES. (a) In accordance with  
9 Section 49.108, Water Code, the district may impose a tax other than  
10 an operation and maintenance tax and use the revenue derived from  
11 the tax to make payments under a contract after the provisions of  
12 the contract have been approved by a majority of the district voters  
13 voting at an election held for that purpose.

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

17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

18 Sec. 8420.201. AUTHORITY TO ISSUE BONDS AND OTHER  
19 OBLIGATIONS. The district may issue bonds or other obligations  
20 payable wholly or partly from ad valorem taxes, impact fees,  
21 revenue, contract payments, grants, or other district money, or any  
22 combination of those sources, to pay for any authorized district  
23 purpose.

24 Sec. 8420.202. TAXES FOR BONDS. At the time the district  
25 issues bonds payable wholly or partly from ad valorem taxes, the  
26 board shall provide for the annual imposition of a continuing  
27 direct ad valorem tax, without limit as to rate or amount, while all

1 or part of the bonds are outstanding as required and in the manner  
2 provided by Sections 54.601 and 54.602, Water Code.

3 Sec. 8420.203. BONDS FOR ROAD PROJECTS. At the time of  
4 issuance, the total principal amount of bonds or other obligations  
5 issued or incurred to finance road projects and payable from ad  
6 valorem taxes may not exceed one-fourth of the assessed value of the  
7 real property in the district.

8 SECTION 2. The Montgomery County Municipal Utility District  
9 No. 106 initially includes all the territory contained in the  
10 following area:

11 A TRACT OR PARCEL CONTAINING 700.9211 ACRES (30,532,123  
12 SQUARE FEET) OF LAND IN MONTGOMERY COUNTY, TEXAS, BEING THE  
13 COMBINATION OF 4 SEPARATE TRACTS, TRACT 1 CONTAINING 653.586 ACRES  
14 BEING ALL OF THE DAVID DAVIS SURVEY, A-184, PATENT NO. 866, VOLUME  
15 5, TRACT 2 CONTAINING 4.0966 ACRES OUT OF THE SAMUEL V. LAMOTHE  
16 SURVEY, A-333, BEING PART OF A TRACT DESCRIBED IN VOLUME 284, PAGE  
17 452 OF THE MONTGOMERY COUNTY DEED RECORDS, TRACT 3 CONTAINING  
18 10.9542 ACRES IN THE SAMUEL V. LAMOTHE SURVEY, A-333 OUT OF A CALLED  
19 117.898 ACRE TRACT DESCRIBED IN VOLUME 1032, PAGE 107 OF THE  
20 MONTGOMERY COUNTY DEED RECORDS, TRACT 4 CONTAINING 32.2812 ACRES IN  
21 THE E. H. YEISER SURVEY, A-73I, BEING THE RESIDUE OF A CALLED 34.001  
22 ACRE TRACT DESCRIBED IN VOLUME 1087, PAGE 571 OF THE MONTGOMERY  
23 COUNTY DEED RECORDS, SAID 700.9211 ACRE OVERALL TRACT BEING MORE  
24 PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

25 BEGINNING AT A BRASS DISK IN CONCRETE STAMPED "FLC" FOR THE  
26 SOUTHWEST CORNER OF SAID DAVID DAVIS SURVEY AND ON THE COMMON EAST  
27 LINE OF THE JOHN OWENS SURVEY, A-403, AND BEING THE COMMON NORTHWEST

1 CORNER OF THE W. B. JACKSON SURVEY, A-293, AND BEING THE NORTHWEST  
2 CORNER OF SAID TRACT 1;

3 THENCE NORTH 03 DEGREES 46 MINUTES 16 SECONDS WEST, ALONG THE  
4 COMMON LINE OF THE SAID DAVID DAVIS SURVEY AND THE JOHN OWENS  
5 SURVEY, A-403 AND THE WEST LINE OF TRACT 3 A DISTANCE OF 5368.89  
6 FEET TO THE NORTHWEST CORNER OF THE DAVID DAVIS SURVEY AND THE  
7 NORTHWEST CORNER OF TRACT 1;

8 THENCE NORTH 86 DEGREES 50 MINUTES 25 SECONDS EAST, ALONG THE  
9 NORTH LINE OF THE SAID DAVID DAVIS SURVEY AND THE NORTH LINE OF  
10 TRACT 3 A DISTANCE OF 4774.71 FEET TO THE SOUTHWEST CORNER OF SAID  
11 TRACT 3;

12 THENCE NORTH 03 DEGREES 11 MINUTES 52 SECONDS WEST, ALONG THE  
13 SOUTHERLY WEST LINE OF SAID TRACT 3 A DISTANCE OF 1014.10 FEET TO  
14 THE SOUTHERLY NORTHWEST CORNER OF SAID TRACT 3;

15 THENCE 86 DEGREES 51 MINUTES 06 SECONDS EAST, A DISTANCE OF  
16 364.39 FEET TO AN INTERIOR ANGLE OF SAID TRACT 3;

17 THENCE NORTH 03 DEGREES 10 MINUTES 22 SECONDS WEST, A  
18 DISTANCE OF 830.13 FEET TO THE SOUTH LINE OF FM HIGHWAY 1314 FOR THE  
19 NORTHWEST CORNER OF SAID TRACT 3;

20 THENCE SOUTH 65 DEGREES 15 MINUTES 16 SECONDS EAST, ALONG THE  
21 SOUTHWEST LINE OF SAID FM HIGHWAY 1314 A DISTANCE OF 66.42 FEET TO  
22 AN ANGLE POINT AT THE COMMON NORTH CORNER OF TRACTS 2 AND 3;

23 THENCE SOUTH 66 DEGREES 27 MINUTES 58 SECONDS EAST, ALONG THE  
24 SOUTHWEST LINE OF FM HIGHWAY 1314 A DISTANCE OF 111.87 FEET TO THE  
25 NORTHEAST CORNER OF TRACT 2;

26 THENCE SOUTH 03 DEGREES 11 MINUTES 05 SECONDS EAST, ALONG THE  
27 EAST LINE OF TRACT 2 A DISTANCE OF 1762.81 FEET TO THE SOUTHEAST



1 CORNER OF TRACT 2 AND THE NORTHEAST CORNER OF TRACT 1;

2 THENCE SOUTH 03 DEGREES 10 MINUTES 13 SECONDS EAST, ALONG THE  
3 EAST LINE OF TRACT 1 A DISTANCE OF 765.44 FEET TO THE NORTHWEST  
4 CORNER OF TRACT 4;

5 THENCE NORTH 82 DEGREES 35 MINUTES 32 SECONDS EAST, ALONG THE  
6 NORTH LINE OF TRACT 4 A DISTANCE OF 2206.07 FEET TO A 5/8 INCH IRON  
7 ROD SET IN THE WEST LINE OF FM HIGHWAY 1314 FOR THE NORTHEAST CORNER  
8 OF SAID TRACT 4;

9 THENCE IN A SOUTHEASTERLY DIRECTION WITH THE WEST LINE OF FM  
10 HIGHWAY 1314 ALONG A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS  
11 OF 2211.83, AN INTERIOR ANGLE OF 18 DEGREES 47 MINUTES 23 SECONDS, A  
12 LENGTH OF 725.35 FEET, AND A CHORD BEARING SOUTH 22 DEGREES 54  
13 MINUTES 36 SECONDS EAST, 722.10 FEET TO A BRASS DISK FOUND FOR THE  
14 SOUTHEAST CORNER OF TRACT 4;

15 THENCE SOUTH 87 DEGREES 12 MINUTES 13 SECONDS WEST, ALONG THE  
16 SOUTH LINE OF TRACT 4 A DISTANCE OF 776.31 FEET TO AN ANGLE POINT IN  
17 THE SOUTH LINE OF SAID TRACT 4;

18 THENCE SOUTH 86 DEGREES 41 MINUTES 12 SECONDS WEST,  
19 CONTINUING ALONG THE SOUTH LINE OF SAID TRACT 4 A DISTANCE OF  
20 1667.81 FEET TO A BRASS DISK FOUND IN THE EAST LINE OF TRACT 1 FOR  
21 THE SOUTHWEST CORNER OF SAID TRACT 4;

22 THENCE SOUTH 03 DEGREES 49 MINUTES 04 SECONDS EAST, ALONG THE  
23 EAST LINE OF TRACT 1 A DISTANCE OF 4120.26 FEET TO THE SOUTHEAST  
24 CORNER OF TRACT 1;

25 THENCE SOUTH 87 DEGREES 11 MINUTES 35 SECONDS WEST, ALONG THE  
26 SOUTH LINE OF TRACT 1 A DISTANCE OF 5288.02 FEET TO THE POINT OF  
27 BEGINNING AND CONTAINING 700.9211 ACRES OF LAND, MORE OR LESS.

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

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

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

15           (d) All requirements of the constitution and laws of this  
16 state and the rules and procedures of the legislature with respect  
17 to the notice, introduction, and passage of this Act are fulfilled  
18 and accomplished.

19           SECTION 4. (a) If this Act does not receive a two-thirds  
20 vote of all the members elected to each house, Subchapter C, Chapter  
21 8420, Special District Local Laws Code, as added by Section 1 of  
22 this Act, is amended by adding Section 8420.106 to read as follows:

23           Sec. 8420.106. NO EMINENT DOMAIN POWER. The district may  
24 not exercise the power of eminent domain.

25           (b) This section is not intended to be an expression of a  
26 legislative interpretation of the requirements of Section 17(c),  
27 Article I, Texas Constitution.

1 SECTION 5. Except as provided by Section 4 of this Act:

2 (1) this Act takes effect immediately if it receives a  
3 vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution; and

5 (2) if this Act does not receive the vote necessary for  
6 immediate effect, this Act takes effect September 1, 2013.