

1-1 By: Bell (Senate Sponsor - Williams) H.B. No. 1506
1-2 (In the Senate - Received from the House May 3, 2013;
1-3 May 6, 2013, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 10, 2013, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 10, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Hinojosa	X		
1-9	Nichols	X		
1-10	Garcia	X		
1-11	Paxton	X		
1-12	Taylor	X		

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the creation of the Montgomery County Municipal Utility
1-16 District No. 106; granting a limited power of eminent domain;
1-17 providing authority to issue bonds; providing authority to impose
1-18 assessments, fees, and taxes.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-21 Code, is amended by adding Chapter 8420 to read as follows:

1-22 CHAPTER 8420. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 106

1-23 SUBCHAPTER A. GENERAL PROVISIONS

1-24 Sec. 8420.001. DEFINITIONS. In this chapter:

1-25 (1) "Board" means the district's board of directors.

1-26 (2) "Commission" means the Texas Commission on
1-27 Environmental Quality.

1-28 (3) "Director" means a board member.

1-29 (4) "District" means the Montgomery County Municipal
1-30 Utility District No. 106.

1-31 Sec. 8420.002. NATURE OF DISTRICT. The district is a
1-32 municipal utility district created under Section 59, Article XVI,
1-33 Texas Constitution.

1-34 Sec. 8420.003. CONFIRMATION AND DIRECTORS' ELECTION
1-35 REQUIRED. The temporary directors shall hold an election to
1-36 confirm the creation of the district and to elect five permanent
1-37 directors as provided by Section 49.102, Water Code.

1-38 Sec. 8420.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-39 temporary directors may not hold an election under Section 8420.003
1-40 until each municipality in whose corporate limits or
1-41 extraterritorial jurisdiction the district is located has
1-42 consented by ordinance or resolution to the creation of the
1-43 district and to the inclusion of land in the district.

1-44 Sec. 8420.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
1-45 The district is created to serve a public purpose and benefit.

1-46 (b) The district is created to accomplish the purposes of:

1-47 (1) a municipal utility district as provided by
1-48 general law and Section 59, Article XVI, Texas Constitution; and

1-49 (2) Section 52, Article III, Texas Constitution, that
1-50 relate to the construction, acquisition, improvement, operation,
1-51 or maintenance of macadamized, graveled, or paved roads, or
1-52 improvements, including storm drainage, in aid of those roads.

1-53 Sec. 8420.006. INITIAL DISTRICT TERRITORY. (a) The
1-54 district is initially composed of the territory described by
1-55 Section 2 of the Act enacting this chapter.

1-56 (b) The boundaries and field notes contained in Section 2 of
1-57 the Act enacting this chapter form a closure. A mistake made in the
1-58 field notes or in copying the field notes in the legislative process
1-59 does not affect the district's:

1-60 (1) organization, existence, or validity;

1-61 (2) right to issue any type of bond for the purposes

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

2-5 SUBCHAPTER B. BOARD OF DIRECTORS

2-6 Sec. 8420.051. GOVERNING BODY; TERMS. (a) The district is
 2-7 governed by a board of five elected directors.

2-8 (b) Except as provided by Section 8420.052, directors serve
 2-9 staggered four-year terms.

2-10 Sec. 8420.052. TEMPORARY DIRECTORS. (a) On or after the
 2-11 effective date of the Act enacting this chapter, the owner or owners
 2-12 of a majority of the assessed value of the real property in the
 2-13 district may submit a petition to the commission requesting that
 2-14 the commission appoint as temporary directors the five persons
 2-15 named in the petition. The commission shall appoint as temporary
 2-16 directors the five persons named in the petition.

2-17 (b) Temporary directors serve until the earlier of:

2-18 (1) the date permanent directors are elected under
 2-19 Section 8420.003; or

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

2-22 (c) If permanent directors have not been elected under
 2-23 Section 8420.003 and the terms of the temporary directors have
 2-24 expired, successor temporary directors shall be appointed or
 2-25 reappointed as provided by Subsection (d) to serve terms that
 2-26 expire on the earlier of:

2-27 (1) the date permanent directors are elected under
 2-28 Section 8420.003; or

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

2-31 (d) If Subsection (c) applies, the owner or owners of a
 2-32 majority of the assessed value of the real property in the district
 2-33 may submit a petition to the commission requesting that the
 2-34 commission appoint as successor temporary directors the five
 2-35 persons named in the petition. The commission shall appoint as
 2-36 successor temporary directors the five persons named in the
 2-37 petition.

2-38 SUBCHAPTER C. POWERS AND DUTIES

2-39 Sec. 8420.101. GENERAL POWERS AND DUTIES. The district has
 2-40 the powers and duties necessary to accomplish the purposes for
 2-41 which the district is created.

2-42 Sec. 8420.102. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-43 DUTIES. The district has the powers and duties provided by the
 2-44 general law of this state, including Chapters 49 and 54, Water Code,
 2-45 applicable to municipal utility districts created under Section 59,
 2-46 Article XVI, Texas Constitution.

2-47 Sec. 8420.103. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-48 52, Article III, Texas Constitution, the district may design,
 2-49 acquire, construct, finance, issue bonds for, improve, operate,
 2-50 maintain, and convey to this state, a county, or a municipality for
 2-51 operation and maintenance macadamized, graveled, or paved roads, or
 2-52 improvements, including storm drainage, in aid of those roads.

2-53 Sec. 8420.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 2-54 project must meet all applicable construction standards, zoning and
 2-55 subdivision requirements, and regulations of each municipality in
 2-56 whose corporate limits or extraterritorial jurisdiction the road
 2-57 project is located.

2-58 (b) If a road project is not located in the corporate limits
 2-59 or extraterritorial jurisdiction of a municipality, the road
 2-60 project must meet all applicable construction standards, zoning and
 2-61 subdivision requirements, and regulations of each county in which
 2-62 the road project is located.

2-63 (c) If the state will maintain and operate the road, the
 2-64 Texas Transportation Commission must approve the plans and
 2-65 specifications of the road project.

2-66 Sec. 8420.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
 2-67 OR RESOLUTION. The district shall comply with all applicable
 2-68 requirements of any ordinance or resolution that is adopted under
 2-69 Section 54.016 or 54.0165, Water Code, and that consents to the

3-1 creation of the district or to the inclusion of land in the
 3-2 district.

3-3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-4 Sec. 8420.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
 3-5 district may issue, without an election, bonds and other
 3-6 obligations secured by:

- 3-7 (1) revenue other than ad valorem taxes; or
- 3-8 (2) contract payments described by Section 8420.153.

3-9 (b) The district must hold an election in the manner
 3-10 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-11 before the district may impose an ad valorem tax or issue bonds
 3-12 payable from ad valorem taxes.

3-13 (c) The district may not issue bonds payable from ad valorem
 3-14 taxes to finance a road project unless the issuance is approved by a
 3-15 vote of a two-thirds majority of the district voters voting at an
 3-16 election held for that purpose.

3-17 Sec. 8420.152. OPERATION AND MAINTENANCE TAX. (a) If
 3-18 authorized at an election held under Section 8420.151, the district
 3-19 may impose an operation and maintenance tax on taxable property in
 3-20 the district in accordance with Section 49.107, Water Code.

3-21 (b) The board shall determine the tax rate. The rate may not
 3-22 exceed the rate approved at the election.

3-23 Sec. 8420.153. CONTRACT TAXES. (a) In accordance with
 3-24 Section 49.108, Water Code, the district may impose a tax other than
 3-25 an operation and maintenance tax and use the revenue derived from
 3-26 the tax to make payments under a contract after the provisions of
 3-27 the contract have been approved by a majority of the district voters
 3-28 voting at an election held for that purpose.

3-29 (b) A contract approved by the district voters may contain a
 3-30 provision stating that the contract may be modified or amended by
 3-31 the board without further voter approval.

3-32 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-33 Sec. 8420.201. AUTHORITY TO ISSUE BONDS AND OTHER
 3-34 OBLIGATIONS. The district may issue bonds or other obligations
 3-35 payable wholly or partly from ad valorem taxes, impact fees,
 3-36 revenue, contract payments, grants, or other district money, or any
 3-37 combination of those sources, to pay for any authorized district
 3-38 purpose.

3-39 Sec. 8420.202. TAXES FOR BONDS. At the time the district
 3-40 issues bonds payable wholly or partly from ad valorem taxes, the
 3-41 board shall provide for the annual imposition of a continuing
 3-42 direct ad valorem tax, without limit as to rate or amount, while all
 3-43 or part of the bonds are outstanding as required and in the manner
 3-44 provided by Sections 54.601 and 54.602, Water Code.

3-45 Sec. 8420.203. BONDS FOR ROAD PROJECTS. At the time of
 3-46 issuance, the total principal amount of bonds or other obligations
 3-47 issued or incurred to finance road projects and payable from ad
 3-48 valorem taxes may not exceed one-fourth of the assessed value of the
 3-49 real property in the district.

3-50 SECTION 2. The Montgomery County Municipal Utility District
 3-51 No. 106 initially includes all the territory contained in the
 3-52 following area:

3-53 A TRACT OR PARCEL CONTAINING 700.9211 ACRES (30,532,123
 3-54 SQUARE FEET) OF LAND IN MONTGOMERY COUNTY, TEXAS, BEING THE
 3-55 COMBINATION OF 4 SEPARATE TRACTS, TRACT 1 CONTAINING 653.586 ACRES
 3-56 BEING ALL OF THE DAVID DAVIS SURVEY, A-184, PATENT NO. 866, VOLUME
 3-57 5, TRACT 2 CONTAINING 4.0966 ACRES OUT OF THE SAMUEL V. LAMOTHE
 3-58 SURVEY, A-333, BEING PART OF A TRACT DESCRIBED IN VOLUME 284, PAGE
 3-59 452 OF THE MONTGOMERY COUNTY DEED RECORDS, TRACT 3 CONTAINING
 3-60 10.9542 ACRES IN THE SAMUEL V. LAMOTHE SURVEY, A-333 OUT OF A CALLED
 3-61 117.898 ACRE TRACT DESCRIBED IN VOLUME 1032, PAGE 107 OF THE
 3-62 MONTGOMERY COUNTY DEED RECORDS, TRACT 4 CONTAINING 32.2812 ACRES IN
 3-63 THE E. H. YEISER SURVEY, A-731, BEING THE RESIDUE OF A CALLED 34.001
 3-64 ACRE TRACT DESCRIBED IN VOLUME 1087, PAGE 571 OF THE MONTGOMERY
 3-65 COUNTY DEED RECORDS, SAID 700.9211 ACRE OVERALL TRACT BEING MORE
 3-66 PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

3-67 BEGINNING AT A BRASS DISK IN CONCRETE STAMPED "FLC" FOR THE
 3-68 SOUTHWEST CORNER OF SAID DAVID DAVIS SURVEY AND ON THE COMMON EAST
 3-69 LINE OF THE JOHN OWENS SURVEY, A-403, AND BEING THE COMMON NORTHWEST

4-1 CORNER OF THE W. B. JACKSON SURVEY, A-293, AND BEING THE NORTHWEST
4-2 CORNER OF SAID TRACT 1;
4-3 THENCE NORTH 03 DEGREES 46 MINUTES 16 SECONDS WEST, ALONG THE
4-4 COMMON LINE OF THE SAID DAVID DAVIS SURVEY AND THE JOHN OWENS
4-5 SURVEY, A-403 AND THE WEST LINE OF TRACT 3 A DISTANCE OF 5368.89
4-6 FEET TO THE NORTHWEST CORNER OF THE DAVID DAVIS SURVEY AND THE
4-7 NORTHWEST CORNER OF TRACT 1;
4-8 THENCE NORTH 86 DEGREES 50 MINUTES 25 SECONDS EAST, ALONG THE
4-9 NORTH LINE OF THE SAID DAVID DAVIS SURVEY AND THE NORTH LINE OF
4-10 TRACT 3 A DISTANCE OF 4774.71 FEET TO THE SOUTHWEST CORNER OF SAID
4-11 TRACT 3;
4-12 THENCE NORTH 03 DEGREES 11 MINUTES 52 SECONDS WEST, ALONG THE
4-13 SOUTHERLY WEST LINE OF SAID TRACT 3 A DISTANCE OF 1014.10 FEET TO
4-14 THE SOUTHERLY NORTHWEST CORNER OF SAID TRACT 3;
4-15 THENCE 86 DEGREES 51 MINUTES 06 SECONDS EAST, A DISTANCE OF
4-16 364.39 FEET TO AN INTERIOR ANGLE OF SAID TRACT 3;
4-17 THENCE NORTH 03 DEGREES 10 MINUTES 22 SECONDS WEST, A
4-18 DISTANCE OF 830.13 FEET TO THE SOUTH LINE OF FM HIGHWAY 1314 FOR THE
4-19 NORTHWEST CORNER OF SAID TRACT 3;
4-20 THENCE SOUTH 65 DEGREES 15 MINUTES 16 SECONDS EAST, ALONG THE
4-21 SOUTHWEST LINE OF SAID FM HIGHWAY 1314 A DISTANCE OF 66.42 FEET TO
4-22 AN ANGLE POINT AT THE COMMON NORTH CORNER OF TRACTS 2 AND 3;
4-23 THENCE SOUTH 66 DEGREES 27 MINUTES 58 SECONDS EAST, ALONG THE
4-24 SOUTHWEST LINE OF FM HIGHWAY 1314 A DISTANCE OF 111.87 FEET TO THE
4-25 NORTHEAST CORNER OF TRACT 2;
4-26 THENCE SOUTH 03 DEGREES 11 MINUTES 05 SECONDS EAST, ALONG THE
4-27 EAST LINE OF TRACT 2 A DISTANCE OF 1762.81 FEET TO THE SOUTHEAST
4-28 CORNER OF TRACT 2 AND THE NORTHEAST CORNER OF TRACT 1;
4-29 THENCE SOUTH 03 DEGREES 10 MINUTES 13 SECONDS EAST, ALONG THE
4-30 EAST LINE OF TRACT 1 A DISTANCE OF 765.44 FEET TO THE NORTHWEST
4-31 CORNER OF TRACT 4;
4-32 THENCE NORTH 82 DEGREES 35 MINUTES 32 SECONDS EAST, ALONG THE
4-33 NORTH LINE OF TRACT 4 A DISTANCE OF 2206.07 FEET TO A 5/8 INCH IRON
4-34 ROD SET IN THE WEST LINE OF FM HIGHWAY 1314 FOR THE NORTHEAST CORNER
4-35 OF SAID TRACT 4;
4-36 THENCE IN A SOUTHEASTERLY DIRECTION WITH THE WEST LINE OF FM
4-37 HIGHWAY 1314 ALONG A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS
4-38 OF 2211.83, AN INTERIOR ANGLE OF 18 DEGREES 47 MINUTES 23 SECONDS, A
4-39 LENGTH OF 725.35 FEET, AND A CHORD BEARING SOUTH 22 DEGREES 54
4-40 MINUTES 36 SECONDS EAST, 722.10 FEET TO A BRASS DISK FOUND FOR THE
4-41 SOUTHEAST CORNER OF TRACT 4;
4-42 THENCE SOUTH 87 DEGREES 12 MINUTES 13 SECONDS WEST, ALONG THE
4-43 SOUTH LINE OF TRACT 4 A DISTANCE OF 776.31 FEET TO AN ANGLE POINT IN
4-44 THE SOUTH LINE OF SAID TRACT 4;
4-45 THENCE SOUTH 86 DEGREES 41 MINUTES 12 SECONDS WEST,
4-46 CONTINUING ALONG THE SOUTH LINE OF SAID TRACT 4 A DISTANCE OF
4-47 1667.81 FEET TO A BRASS DISK FOUND IN THE EAST LINE OF TRACT 1 FOR
4-48 THE SOUTHWEST CORNER OF SAID TRACT 4;
4-49 THENCE SOUTH 03 DEGREES 49 MINUTES 04 SECONDS EAST, ALONG THE
4-50 EAST LINE OF TRACT 1 A DISTANCE OF 4120.26 FEET TO THE SOUTHEAST
4-51 CORNER OF TRACT 1;
4-52 THENCE SOUTH 87 DEGREES 11 MINUTES 35 SECONDS WEST, ALONG THE
4-53 SOUTH LINE OF TRACT 1 A DISTANCE OF 5288.02 FEET TO THE POINT OF
4-54 BEGINNING AND CONTAINING 700.9211 ACRES OF LAND, MORE OR LESS.
4-55 SECTION 3. (a) The legal notice of the intention to
4-56 introduce this Act, setting forth the general substance of this
4-57 Act, has been published as provided by law, and the notice and a
4-58 copy of this Act have been furnished to all persons, agencies,
4-59 officials, or entities to which they are required to be furnished
4-60 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4-61 Government Code.
4-62 (b) The governor, one of the required recipients, has
4-63 submitted the notice and Act to the Texas Commission on
4-64 Environmental Quality.
4-65 (c) The Texas Commission on Environmental Quality has filed
4-66 its recommendations relating to this Act with the governor, the
4-67 lieutenant governor, and the speaker of the house of
4-68 representatives within the required time.
4-69 (d) All requirements of the constitution and laws of this

5-1 state and the rules and procedures of the legislature with respect
5-2 to the notice, introduction, and passage of this Act are fulfilled
5-3 and accomplished.

5-4 SECTION 4. (a) If this Act does not receive a two-thirds
5-5 vote of all the members elected to each house, Subchapter C, Chapter
5-6 8420, Special District Local Laws Code, as added by Section 1 of
5-7 this Act, is amended by adding Section 8420.106 to read as follows:

5-8 Sec. 8420.106. NO EMINENT DOMAIN POWER. The district may
5-9 not exercise the power of eminent domain.

5-10 (b) This section is not intended to be an expression of a
5-11 legislative interpretation of the requirements of Section 17(c),
5-12 Article I, Texas Constitution.

5-13 SECTION 5. Except as provided by Section 4 of this Act:

5-14 (1) this Act takes effect immediately if it receives a
5-15 vote of two-thirds of all the members elected to each house, as
5-16 provided by Section 39, Article III, Texas Constitution; and

5-17 (2) if this Act does not receive the vote necessary for
5-18 immediate effect, this Act takes effect September 1, 2013.

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