

1-1 By: Creighton S.B. No. 1005
 1-2 (In the Senate - Filed March 5, 2015; March 10, 2015, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; April 30, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 6, Nays 0;
 1-6 April 30, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell	X			
1-11 Garcia	X			
1-12 Menéndez	X			
1-13 Nichols			X	
1-14 Taylor of Galveston	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1005 By: Lucio

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. 144; 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 7953 to read as follows:

1-26 CHAPTER 7953. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 144

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7953.001. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "Commission" means the Texas Commission on
 1-31 Environmental Quality.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the Montgomery County Municipal
 1-34 Utility District No. 144.

1-35 Sec. 7953.002. NATURE OF DISTRICT. The district is a
 1-36 municipal utility district created under Section 59, Article XVI,
 1-37 Texas Constitution.

1-38 Sec. 7953.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-39 REQUIRED. The temporary directors shall hold an election to
 1-40 confirm the creation of the district and to elect five permanent
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 7953.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-43 temporary directors may not hold an election under Section 7953.003
 1-44 until each municipality in whose corporate limits or
 1-45 extraterritorial jurisdiction the district is located has
 1-46 consented by ordinance or resolution to the creation of the
 1-47 district and to the inclusion of land in the district.

1-48 Sec. 7953.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by
 1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that
 1-54 relate to the construction, acquisition, improvement, operation,
 1-55 or maintenance of macadamized, graveled, or paved roads, or
 1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 7953.006. INITIAL DISTRICT TERRITORY. (a) The
 1-58 district is initially composed of the territory described by
 1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of

2-1 the Act enacting this chapter form a closure. A mistake made in the
2-2 field notes or in copying the field notes in the legislative process
2-3 does not affect the district's:

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

2-10 Sec. 7953.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT
2-11 REINVESTMENT ZONE. (a) The district is eligible to be included in
2-12 a tax increment reinvestment zone created under Chapter 311, Tax
2-13 Code.

2-14 (b) If the City of Conroe has created or creates a tax
2-15 increment reinvestment zone described by Subsection (a) that
2-16 includes all or part of the territory of the district, the City of
2-17 Conroe and the board of directors of the zone or a developer of
2-18 property within the tax increment reinvestment zone that receives
2-19 or will receive money from the tax increment fund, by contract with
2-20 the district, may grant money to the district from the tax increment
2-21 fund to be used for a permissible purpose of the district,
2-22 including:

- 2-23 (1) the right to pledge the money as security for a
2-24 bond or other obligation issued by the district; and
- 2-25 (2) any permissible purpose of a corporation under
2-26 Section 380.002(b), Local Government Code.

2-27 SUBCHAPTER B. BOARD OF DIRECTORS

2-28 Sec. 7953.051. GOVERNING BODY; TERMS. (a) The district is
2-29 governed by a board of five elected directors.

2-30 (b) Except as provided by Section 7953.052, directors serve
2-31 staggered four-year terms.

2-32 Sec. 7953.052. TEMPORARY DIRECTORS. (a) On or after the
2-33 effective date of the Act enacting this chapter, the owner or owners
2-34 of a majority of the assessed value of the real property in the
2-35 district may submit a petition to the commission requesting that
2-36 the commission appoint as temporary directors the five persons
2-37 named in the petition. The commission shall appoint as temporary
2-38 directors the five persons named in the petition.

2-39 (b) Temporary directors serve until the earlier of:

- 2-40 (1) the date permanent directors are elected under
2-41 Section 7953.003; or
- 2-42 (2) the fourth anniversary of the effective date of
2-43 the Act enacting this chapter.

2-44 (c) If permanent directors have not been elected under
2-45 Section 7953.003 and the terms of the temporary directors have
2-46 expired, successor temporary directors shall be appointed or
2-47 reappointed as provided by Subsection (d) to serve terms that
2-48 expire on the earlier of:

- 2-49 (1) the date permanent directors are elected under
2-50 Section 7953.003; or
- 2-51 (2) the fourth anniversary of the date of the
2-52 appointment or reappointment.

2-53 (d) If Subsection (c) applies, the owner or owners of a
2-54 majority of the assessed value of the real property in the district
2-55 may submit a petition to the commission requesting that the
2-56 commission appoint as successor temporary directors the five
2-57 persons named in the petition. The commission shall appoint as
2-58 successor temporary directors the five persons named in the
2-59 petition.

2-60 SUBCHAPTER C. POWERS AND DUTIES

2-61 Sec. 7953.101. GENERAL POWERS AND DUTIES. The district has
2-62 the powers and duties necessary to accomplish the purposes for
2-63 which the district is created.

2-64 Sec. 7953.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-65 DUTIES. The district has the powers and duties provided by the
2-66 general law of this state, including Chapters 49 and 54, Water Code,
2-67 applicable to municipal utility districts created under Section 59,
2-68 Article XVI, Texas Constitution.

2-69 Sec. 7953.103. AUTHORITY FOR ROAD PROJECTS. Under Section

3-1 52, Article III, Texas Constitution, the district may design,
3-2 acquire, construct, finance, issue bonds for, improve, operate,
3-3 maintain, and convey to this state, a county, or a municipality for
3-4 operation and maintenance macadamized, graveled, or paved roads, or
3-5 improvements, including storm drainage, in aid of those roads.

3-6 Sec. 7953.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
3-7 road project must meet all applicable construction standards,
3-8 zoning and subdivision requirements, and regulations of each
3-9 municipality in whose corporate limits or extraterritorial
3-10 jurisdiction the road project is located.

3-11 (b) If a road project is not located in the corporate limits
3-12 or extraterritorial jurisdiction of a municipality, the road
3-13 project must meet all applicable construction standards,
3-14 subdivision requirements, and regulations of each county in which
3-15 the road project is located.

3-16 (c) If the state will maintain and operate the road, the
3-17 Texas Transportation Commission must approve the plans and
3-18 specifications of the road project.

3-19 Sec. 7953.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
3-20 OR RESOLUTION. (a) The district shall comply with all applicable
3-21 requirements of any ordinance or resolution that is adopted under
3-22 Section 54.016 or 54.0165, Water Code, and that consents to the
3-23 creation of the district or to the inclusion of land in the
3-24 district.

3-25 (b) In addition to all the rights and remedies provided by
3-26 other law, if the district violates the terms of an ordinance or
3-27 resolution described by Subsection (a), the municipality is
3-28 entitled to injunctive relief or a writ of mandamus issued by a
3-29 court requiring the district and the district's officials to
3-30 observe and comply with the terms of the ordinance or resolution.

3-31 Sec. 7953.106. EFFECT OF ANNEXATION BY CITY OF CONROE.

3-32 (a) The City of Conroe may annex all or part of the district into
3-33 its corporate limits without annexing the entire district under the
3-34 terms of a development agreement between the City of Conroe and the
3-35 owners of the land in the district that is covered by the
3-36 development agreement. If a development agreement is not executed
3-37 or the agreement has expired, nothing in this chapter limits the
3-38 right of the City of Conroe to annex the district.

3-39 (b) If the City of Conroe annexes all or part of the district
3-40 into its corporate limits:

3-41 (1) the district is not dissolved;

3-42 (2) the ability of the district to issue bonds is not
3-43 impaired or precluded; and

3-44 (3) unless otherwise approved by the board and the
3-45 governing body of the City of Conroe, the city:

3-46 (A) may not take over the property or other
3-47 assets of the district;

3-48 (B) may not assume any debts, liabilities, or
3-49 other obligations of the district;

3-50 (C) is not obligated to perform any functions of
3-51 the district; and

3-52 (D) is not obligated to pay a landowner or
3-53 developer for expenses incurred by the landowner or developer in
3-54 connection with the district that would otherwise be eligible for
3-55 reimbursement from the proceeds of bonds issued by the district.

3-56 (c) Notwithstanding Section 54.016(f)(2), Water Code, an
3-57 allocation agreement between the City of Conroe and the district
3-58 that provides for the allocation of the taxes or revenues of the
3-59 district and the city following the date of inclusion of all the
3-60 district's territory in the corporate limits of the city may
3-61 provide that the total annual ad valorem taxes collected by the city
3-62 and the district from taxable property in the district may exceed
3-63 the city's ad valorem tax on that property.

3-64 Sec. 7953.107. LIMITATION ON USE OF EMINENT DOMAIN. The
3-65 district may not exercise the power of eminent domain outside the
3-66 district without the written consent of the City of Conroe.

3-67 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-68 Sec. 7953.151. ELECTIONS REGARDING TAXES OR BONDS.

3-69 (a) The district may issue, without an election, bonds and other

4-1 obligations secured by revenue other than ad valorem taxes.
4-2 (b) The district must hold an election in the manner
4-3 provided by Chapters 49 and 54, Water Code, to obtain voter approval
4-4 before the district may impose an ad valorem tax or issue bonds
4-5 payable from ad valorem taxes.

4-6 (c) The district may not issue bonds payable from ad valorem
4-7 taxes to finance a road project unless the issuance is approved by a
4-8 vote of a two-thirds majority of the district voters voting at an
4-9 election held for that purpose.

4-10 Sec. 7953.152. OPERATION AND MAINTENANCE TAX. (a) If
4-11 authorized at an election held under Section 7953.151, the district
4-12 may impose an operation and maintenance tax on taxable property in
4-13 the district in accordance with Section 49.107, Water Code.

4-14 (b) The board shall determine the tax rate. The rate may not
4-15 exceed the rate approved at the election.

4-16 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-17 Sec. 7953.201. AUTHORITY TO ISSUE BONDS AND OTHER
4-18 OBLIGATIONS. The district may issue bonds or other obligations
4-19 payable wholly or partly from ad valorem taxes, impact fees,
4-20 revenue, contract payments, tax increment payments, grants, or
4-21 other district money, or any combination of those sources, to pay
4-22 for any authorized district purpose.

4-23 Sec. 7953.202. TAXES FOR BONDS. At the time the district
4-24 issues bonds payable wholly or partly from ad valorem taxes, the
4-25 board shall provide for the annual imposition of a continuing
4-26 direct ad valorem tax, without limit as to rate or amount, while all
4-27 or part of the bonds are outstanding as required and in the manner
4-28 provided by Sections 54.601 and 54.602, Water Code.

4-29 Sec. 7953.203. BONDS FOR ROAD PROJECTS. At the time of
4-30 issuance, the total principal amount of bonds or other obligations
4-31 issued or incurred to finance road projects and payable from ad
4-32 valorem taxes may not exceed one-fourth of the assessed value of the
4-33 real property in the district.

4-34 SECTION 2. The Montgomery County Municipal Utility District
4-35 No. 144 initially includes all the territory contained in the
4-36 following area:

4-37 BEING a 186.839 acre tract of land (8,138,702 square feet) located
4-38 in the J. Hodge Survey, A- 19, Montgomery County, Texas, same said
4-39 tract being a portion of a called 553.735 acre partition tract
4-40 conveyed to Mallie Duff Hunt, et. al. and described as Exhibit "A"
4-41 in a Partition Deed recorded in Clerk's File Number 2003-124388 of
4-42 the Official Public Records of Real Property of Montgomery County,
4-43 Texas (OPRRPMC). Said 186.839 acre tract being more fully described
4-44 as follows, all bearings based on the Texas Coordinate System,
4-45 Central Zone (4203), NAD-83 (NA 2011) epoch 2010.00:

4-46 BEGINNING: At a found 3/4 inch iron pipe at the southeast corner of
4-47 said 553.735 acre tract of land, same being an interior corner of
4-48 Carriage Hills Section One Subdivision, recorded in Cabinet B,
4-49 Sheet 127 B of the Plat Records of Montgomery County, Texas (MCPR),
4-50 and on the common survey line of the C. Dugart Survey, A-170, and
4-51 the J. Hodge Survey, A-19;

4-52 THENCE: S 85°10'04" W, along and with the south line of said 553.735
4-53 acre tract, the above mentioned common survey line, at 1,059.15
4-54 feet, the northwest corner of the aforementioned C. Dugart Survey
4-55 A-170, and the northeast corner of the D. Thomas Survey, A-550, from
4-56 which a found 1/2 inch iron rod bears N 2°36'29" W, a distance of
4-57 8.95 feet, for the apparent lower northwest corner of said Carriage
4-58 Hills Section One Subdivision, and the apparent northeast corner of
4-59 Red Oak Ranch Section One, recorded in Cabinet I, Sheet 200-201 of
4-60 the Map Records of Montgomery County, Texas (MCMR), and continuing
4-61 along and with the south line of said 553.735 acre tract, the common
4-62 survey line of said J. Hodge Survey, A-19 and the D. Thomas Survey,
4-63 A-550, in all a total distance of 1,571.14 feet to a found 5/8 inch
4-64 iron rod which bears S 02°59'59" E, a distance of 0.16 feet from the
4-65 southwest corner of said 553.735 acre tract, same being the
4-66 southeast corner of a 123.052 acre tract conveyed to
4-67 Lawrence-Hunt-Thomas Interests, LTD. and described in a Partition
4-68 Deed as Exhibit "C", recorded in Clerk's File Number 2003-124388
4-69 (OPRRPMC).

5-1 THENCE:N 02°59'59" W, departing the south line of said 553.735 acre
5-2 tract, the common survey line, over and across said 553.735 acre
5-3 tract, at 10.26 feet passing the apparent north line of said Red Oak
5-4 Ranch Section One, in all a total distance of 4,504.60 feet to a
5-5 found 1/2 inch iron rod in the south line of a 60-foot wide road
5-6 easement recorded in Clerk's File Numbers 2003-124388 and
5-7 2003-131296 (OPRRPMC).

5-8 THENCE:N 43°19'31" E, along and with the south line of said 60-foot
5-9 wide road easement a distance of 2,137.34 feet to a found 1/2 inch
5-10 iron rod on the west line of Carriage Hills Subdivision, Sections
5-11 Two and Three, recorded in Cabinet B, Page 191 B (MCPR).

5-12 THENCE:S 03°14'10" E, along and with the west line of said Carriage
5-13 Hills Subdivision, Sections One, Two and Three, a distance of
5-14 5,930.39 feet to the POINT OF BEGINNING, and containing 186.839
5-15 acres of land, which includes 0.221 of an acre of land between the
5-16 apparent south line of this tract and the platted north lines of the
5-17 aforementioned Carriage Hills Subdivision Section One, and Red Oak
5-18 Ranch Subdivision

5-19 SECTION 3. (a) The legal notice of the intention to
5-20 introduce this Act, setting forth the general substance of this
5-21 Act, has been published as provided by law, and the notice and a
5-22 copy of this Act have been furnished to all persons, agencies,
5-23 officials, or entities to which they are required to be furnished
5-24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-25 Government Code.

5-26 (b) The governor, one of the required recipients, has
5-27 submitted the notice and Act to the Texas Commission on
5-28 Environmental Quality.

5-29 (c) The Texas Commission on Environmental Quality has filed
5-30 its recommendations relating to this Act with the governor, the
5-31 lieutenant governor, and the speaker of the house of
5-32 representatives within the required time.

5-33 (d) All requirements of the constitution and laws of this
5-34 state and the rules and procedures of the legislature with respect
5-35 to the notice, introduction, and passage of this Act are fulfilled
5-36 and accomplished.

5-37 SECTION 4. (a) Section 7953.107, Special District Local
5-38 Laws Code, as added by Section 1 of this Act, takes effect only if
5-39 this Act receives a two-thirds vote of all the members elected to
5-40 each house.

5-41 (b) If this Act does not receive a two-thirds vote of all the
5-42 members elected to each house, Subchapter C, Chapter 7953, Special
5-43 District Local Laws Code, as added by Section 1 of this Act, is
5-44 amended by adding Section 7953.107 to read as follows:

5-45 Sec. 7953.107. NO EMINENT DOMAIN POWER. The district may
5-46 not exercise the power of eminent domain.

5-47 (c) This section is not intended to be an expression of a
5-48 legislative interpretation of the requirements of Section 17(c),
5-49 Article I, Texas Constitution.

5-50 SECTION 5. This Act takes effect immediately if it receives
5-51 a vote of two-thirds of all the members elected to each house, as
5-52 provided by Section 39, Article III, Texas Constitution. If this
5-53 Act does not receive the vote necessary for immediate effect, this
5-54 Act takes effect September 1, 2015.

5-55 * * * * *