

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bell

H.B. No. 4154

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3938 to read as follows:

CHAPTER 3938. GRAND LAKE ESTATES MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3938.001. DEFINITIONS. In this chapter:

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

(2) "County" means Montgomery County.

(3) "Director" means a board member.

(4) "District" means the Grand Lake Estates Management District.

Sec. 3938.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3938.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing political subdivisions to contract with the district, the legislature has

1 established a program to accomplish the public purposes set out in  
2 Section 52-a, Article III, Texas Constitution.

3 (b) The creation of the district is necessary to promote,  
4 develop, encourage, and maintain employment, commerce,  
5 transportation, housing, tourism, recreation, the arts,  
6 entertainment, economic development, safety, and the public  
7 welfare in the district.

8 (c) The district is created to supplement and not to  
9 supplant county services provided in the district.

10 Sec. 3938.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
11 The district is created to serve a public use and benefit.

12 (b) All land and other property included in the district  
13 will benefit from the improvements and services to be provided by  
14 the district under powers conferred by Sections 52 and 52-a,  
15 Article III, and Section 59, Article XVI, Texas Constitution, and  
16 other powers granted under this chapter.

17 (c) The creation of the district is in the public interest  
18 and is essential to further the public purposes of:

19 (1) developing and diversifying the economy of the  
20 state;

21 (2) eliminating unemployment and underemployment;

22 (3) developing or expanding transportation and  
23 commerce; and

24 (4) providing quality residential housing.

25 (d) The district will:

26 (1) promote the health, safety, and general welfare of  
27 residents, employers, potential employees, employees, visitors,

1 and consumers in the district, and of the public;

2 (2) provide needed funding for the district to  
3 preserve, maintain, and enhance the economic health and vitality of  
4 the district territory as a residential community and business  
5 center; and

6 (3) promote the health, safety, welfare, and enjoyment  
7 of the public by providing pedestrian ways and by landscaping,  
8 removing graffiti from, and developing certain areas in the  
9 district, which are necessary for the restoration, preservation,  
10 and enhancement of scenic beauty.

11 (e) Pedestrian ways along or across a street, whether at  
12 grade or above or below the surface, and street lighting, street  
13 landscaping, vehicle parking, and street art objects are parts of  
14 and necessary components of a street and are considered to be an  
15 improvement project that includes a street or road improvement.

16 (f) The district will not act as the agent or  
17 instrumentality of any private interest even though the district  
18 will benefit many private interests as well as the public.

19 Sec. 3938.005. DISTRICT TERRITORY. (a) The district is  
20 initially composed of the territory described by Section 2 of the  
21 Act enacting this chapter.

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

26 (1) organization, existence, or validity;

27 (2) right to issue any type of bond for the purposes

1 for which the district is created or to pay the principal of and  
2 interest on a bond;

3 (3) right to impose or collect an assessment or tax; or

4 (4) legality or operation.

5 Sec. 3938.006. APPLICABILITY OF MUNICIPAL MANAGEMENT  
6 DISTRICTS LAW. Except as otherwise provided by this chapter,  
7 Chapter 375, Local Government Code, applies to the district.

8 Sec. 3938.007. CONSTRUCTION OF CHAPTER. This chapter shall  
9 be liberally construed in conformity with the findings and purposes  
10 stated in this chapter.

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 3938.051. GOVERNING BODY; TERMS. The district is  
13 governed by a board of five voting directors who serve staggered  
14 terms of four years with two or three directors' terms expiring June  
15 1 of each odd-numbered year.

16 Sec. 3938.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY  
17 COUNTY. To be qualified to serve as a director appointed by the  
18 governing body of the county, a person must be:

19 (1) a resident of the district who is also a registered  
20 voter of the district;

21 (2) an owner of property in the district;

22 (3) an owner of stock or a partnership or membership  
23 interest, whether beneficial or otherwise, of a corporate  
24 partnership, limited liability company, or other entity owner of a  
25 direct or indirect interest in property in the district;

26 (4) an owner of a beneficial interest in a trust, or a  
27 trustee in a trust, that directly or indirectly owns property in the



1 district;

2 (5) an agent, employee, or tenant of a person  
3 described by Subdivision (2), (3), or (4); or

4 (6) an initial director.

5 Sec. 3938.053. APPOINTMENT OF DIRECTORS. The governing  
6 body of the county shall appoint directors from persons recommended  
7 by the board.

8 Sec. 3938.054. VACANCY. If a vacancy occurs on the board,  
9 the remaining directors shall appoint a director for the remainder  
10 of the unexpired term.

11 Sec. 3938.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A  
12 director shall file the director's oath or affirmation of office  
13 with the district, and the district shall retain the oath or  
14 affirmation in the district records.

15 (b) A director shall file a copy of the director's oath or  
16 affirmation with the clerk of the county.

17 Sec. 3938.056. QUORUM. A vacant director position is not  
18 counted for purposes of establishing a quorum.

19 Sec. 3938.057. OFFICERS. The board shall elect from among  
20 the directors a chair, a vice chair, and a secretary. The offices  
21 of chair and secretary may not be held by the same person.

22 Sec. 3938.058. COMPENSATION; EXPENSES. (a) The district  
23 may compensate each director in an amount not to exceed \$50 for each  
24 board meeting. The total amount of compensation a director may  
25 receive each year may not exceed \$2,000.

26 (b) A director is entitled to reimbursement for necessary  
27 and reasonable expenses incurred in carrying out the duties and

1 responsibilities of the board.

2 Sec. 3938.059. LIABILITY INSURANCE. The district may obtain  
3 and pay for comprehensive general liability insurance coverage from  
4 a commercial insurance company or other source that protects and  
5 insures a director against personal liability and from all claims  
6 relating to:

7 (1) actions taken by the director in the director's  
8 capacity as a member of the board;

9 (2) actions and activities taken by the district; or

10 (3) the actions of others acting on behalf of the  
11 district.

12 Sec. 3938.060. NO EXECUTIVE COMMITTEE. The board may not  
13 create an executive committee to exercise the powers of the board.

14 Sec. 3938.061. BOARD MEETINGS. The board shall hold  
15 meetings at a place accessible to the public.

16 Sec. 3938.062. INITIAL DIRECTORS. (a) The initial board  
17 consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Collin Nguyen</u>
<u>2</u>	<u>Laura Dodson</u>
<u>3</u>	<u>Roger Stacey</u>
<u>4</u>	<u>Amanda James</u>
<u>5</u>	<u>Joe Teagarden</u>

24 (b) The terms of the initial directors expire June 1, 2017.

25 (c) Of the directors who replace an initial director, the  
26 terms of directors serving in positions 1 through 3 expire June 1,  
27 2019, and the terms of directors serving in positions 4 and 5 expire

1 June 1, 2021.

2 (d) Section 3938.052 does not apply to initial directors  
3 under this section.

4 (e) This section expires September 1, 2021.

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 3938.101. GENERAL POWERS AND DUTIES. The district has  
7 the powers and duties necessary to accomplish the purposes for  
8 which the district is created.

9 Sec. 3938.102. IMPROVEMENT PROJECTS AND SERVICES. The  
10 district may provide, design, construct, acquire, improve,  
11 relocate, operate, maintain, or finance an improvement project or  
12 service using money available to the district, or contract with a  
13 governmental or private entity to provide, design, construct,  
14 acquire, improve, relocate, operate, maintain, or finance an  
15 improvement project or service authorized under this chapter or  
16 Chapter 375, Local Government Code.

17 Sec. 3938.103. LOCATION OF IMPROVEMENT PROJECT. An  
18 improvement project described by Section 3938.102 may be located:

19 (1) in the district; or

20 (2) in an area outside but adjacent to the district if  
21 the project is for the purpose of extending a public infrastructure  
22 improvement beyond the district's boundaries to a logical terminus.

23 Sec. 3938.104. DEVELOPMENT CORPORATION POWERS. The  
24 district, using money available to the district, may exercise the  
25 powers given to a development corporation under Chapter 505, Local  
26 Government Code, including the power to own, operate, acquire,  
27 construct, lease, improve, or maintain a project under that

1 chapter.

2 Sec. 3938.105. NONPROFIT CORPORATION. (a) The board by  
3 resolution may authorize the creation of a nonprofit corporation to  
4 assist and act for the district in implementing a project or  
5 providing a service authorized by this chapter.

6 (b) The nonprofit corporation:

7 (1) has each power of and is considered to be a local  
8 government corporation created under Subchapter D, Chapter 431,  
9 Transportation Code; and

10 (2) may implement any project and provide any service  
11 authorized by this chapter.

12 (c) The board shall appoint the board of directors of the  
13 nonprofit corporation. The board of directors of the nonprofit  
14 corporation shall serve in the same manner as the board of directors  
15 of a local government corporation created under Subchapter D,  
16 Chapter 431, Transportation Code, except that a board member is not  
17 required to reside in the district.

18 Sec. 3938.106. AGREEMENTS; GRANTS. (a) As provided by  
19 Chapter 375, Local Government Code, the district may make an  
20 agreement with or accept a gift, grant, or loan from any person.

21 (b) The implementation of a project is a governmental  
22 function or service for the purposes of Chapter 791, Government  
23 Code.

24 Sec. 3938.107. LAW ENFORCEMENT SERVICES. To protect the  
25 public interest, the district may contract with a qualified party,  
26 including the county, to provide law enforcement services in the  
27 district for a fee.

1       Sec. 3938.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
2 district may join and pay dues to a charitable or nonprofit  
3 organization that performs a service or provides an activity  
4 consistent with the furtherance of a district purpose.

5       Sec. 3938.109. ECONOMIC DEVELOPMENT. (a) The district may  
6 engage in activities that accomplish the economic development  
7 purposes of the district.

8       (b) The district may establish and provide for the  
9 administration of one or more programs to promote state or local  
10 economic development and to stimulate business and commercial  
11 activity in the district, including programs to:

12               (1) make loans and grants of public money; and

13               (2) provide district personnel and services.

14       (c) The district may create economic development programs  
15 and exercise the economic development powers that:

16               (1) Chapter 380, Local Government Code, provides to a  
17 municipality; and

18               (2) Subchapter A, Chapter 1509, Government Code,  
19 provides to a municipality.

20       Sec. 3938.110. REAL PROPERTY RESTRICTIONS. (a) The  
21 district may adopt restrictions on the use of real property in the  
22 district.

23       (b) The district may enforce restrictions on the use of real  
24 property in the district in the manner provided for a municipal  
25 utility district by Section 54.237, Water Code.

26       Sec. 3938.111. DESIGNATION OF SPECIAL ZONES. (a) The  
27 district may designate all or any part of the area of the district,

1 as if the district were a municipality, as:

2 (1) a tax increment reinvestment zone under Chapter  
3 311, Tax Code;

4 (2) a tax abatement reinvestment zone under Chapter  
5 312, Tax Code; or

6 (3) an industrial district under Chapter 42, Local  
7 Government Code.

8 (b) Section 311.006(b), Tax Code, does not apply to a tax  
9 increment reinvestment zone created by the district.

10 (c) The district may submit to the Texas Economic  
11 Development Bank a request for designation of a project or activity  
12 in the district as an enterprise project in the manner provided for  
13 a municipality to submit a request under Chapter 2303, Government  
14 Code.

15 (d) If the county creates a tax increment reinvestment zone  
16 under Chapter 311, Tax Code, the county, by contract with the  
17 district, may grant money deposited in the tax increment fund to the  
18 district to be used by the district for the purposes permitted for  
19 money granted to a corporation under Section 380.002(b), Local  
20 Government Code, including the right to pledge the money as  
21 security for any bonds issued by the district for an improvement  
22 project.

23 Sec. 3938.112. CONCURRENCE ON ADDITIONAL POWERS. If the  
24 territory of the district is located in the corporate boundaries or  
25 the extraterritorial jurisdiction of a municipality, the district  
26 may not exercise a power granted to the district after the date the  
27 district was created unless the governing body of the municipality

1 by resolution consents to the district's exercise of the power.

2 Sec. 3938.113. NO EMINENT DOMAIN POWER. The district may  
3 not exercise the power of eminent domain.

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

5 Sec. 3938.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
6 board by resolution shall establish the number of signatures and  
7 the procedure required for a disbursement or transfer of the  
8 district's money.

9 Sec. 3938.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
10 The district may acquire, construct, finance, operate, or maintain  
11 an improvement project or service authorized under this chapter or  
12 Chapter 375, Local Government Code, using any money available to  
13 the district.

14 Sec. 3938.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT  
15 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or  
16 secure the payment or repayment of any bond, note, or other  
17 temporary or permanent obligation or reimbursement or other  
18 contract with any person and the costs and expenses of the  
19 establishment, administration, and operation of the district and  
20 the district's costs or share of the costs or revenue of an  
21 improvement project or district contractual obligation or  
22 indebtedness by:

23 (1) the imposition of an ad valorem tax or sales and  
24 use tax or an assessment, user fee, concession fee, or rental  
25 charge; or

26 (2) any other revenue or resources of the district,  
27 including revenues from a tax increment reinvestment zone.

1       Sec. 3938.154. PETITION REQUIRED FOR FINANCING SERVICES AND  
2 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
3 service or improvement project with assessments under this chapter  
4 unless a written petition requesting that service or improvement  
5 has been filed with the board.

6       (b) The petition must be signed by:

7           (1) the owners of a majority of the assessed value of  
8 real property in the district subject to assessment according to  
9 the most recent certified tax appraisal roll for the county; or

10          (2) at least 50 persons who own real property in the  
11 district subject to assessment, if more than 50 persons own real  
12 property in the district subject to assessment as determined by the  
13 most recent certified tax appraisal roll for the county.

14       Sec. 3938.155. METHOD OF NOTICE FOR HEARING. The district  
15 may mail the notice required by Section 375.115(c), Local  
16 Government Code, by certified or first class United States mail.  
17 The board shall determine the method of notice.

18       Sec. 3938.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
19 The board by resolution may impose and collect an assessment for any  
20 purpose authorized by this chapter in all or any part of the  
21 district.

22       (b) An assessment, a reassessment, or an assessment  
23 resulting from an addition to or correction of the assessment roll  
24 by the district, penalties and interest on an assessment or  
25 reassessment, an expense of collection, and reasonable attorney's  
26 fees incurred by the district:

27           (1) are a first and prior lien against the property



1 assessed;

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

5 (3) are the personal liability of and a charge against  
6 the owners of the property even if the owners are not named in the  
7 assessment proceedings.

8 (c) The lien is effective from the date of the board's  
9 resolution imposing the assessment until the date the assessment is  
10 paid. The board may enforce the lien in the same manner that the  
11 board may enforce an ad valorem tax lien against real property.

12 (d) The board may make a correction to or deletion from the  
13 assessment roll that does not increase the amount of assessment of  
14 any parcel of land without providing notice and holding a hearing in  
15 the manner required for additional assessments.

16 Sec. 3938.157. STORM WATER USER CHARGES. The district may  
17 establish user charges related to the operation of storm water  
18 facilities, including the regulation of storm water for the  
19 protection of water quality in the district.

20 Sec. 3938.158. NONPOTABLE WATER USER CHARGES. The district  
21 may establish user charges for the use of nonpotable water for  
22 irrigation purposes, subject to approval of the governing body of  
23 the county.

24 Sec. 3938.159. COSTS FOR IMPROVEMENT PROJECTS. The  
25 district may undertake separately or jointly with other persons,  
26 including the county, all or part of the cost of an improvement  
27 project, including an improvement project:

1           (1) for improving, enhancing, and supporting public  
2 safety and security, fire protection and emergency medical  
3 services, and law enforcement in or adjacent to the district; or

4           (2) that confers a general benefit on the entire  
5 district or a special benefit on a definable part of the district.

6           Sec. 3938.160. TAX AND ASSESSMENT ABATEMENTS. The district  
7 may designate reinvestment zones and may grant abatements of a tax  
8 or assessment on property in the zones.

9                           SUBCHAPTER E. TAXES AND BONDS

10           Sec. 3938.201. TAX ABATEMENT. The district may enter into a  
11 tax abatement agreement in accordance with the general laws of this  
12 state authorizing and applicable to a tax abatement agreement by a  
13 municipality.

14           Sec. 3938.202. PROPERTY TAX AUTHORIZED. (a) The district  
15 may impose an ad valorem tax on all taxable property in the district  
16 to:

17                   (1) pay for an improvement project of the types  
18 authorized by Section 52(b), Article III, and Section 59, Article  
19 XVI, Texas Constitution; or

20                   (2) secure the payment of bonds issued for a purpose  
21 described by Subdivision (1).

22           (b) The district may not impose an ad valorem tax to pay for  
23 an improvement project under this chapter unless the imposition is  
24 approved by the voters of the district voting at an election held  
25 for that purpose. The board may call an election to approve the  
26 imposition of an ad valorem tax to pay for an improvement project  
27 under this chapter only if the board receives a petition requesting

1 the election signed by:

2 (1) more than 51 percent of the record owners of real  
3 property in the district subject to taxation; or

4 (2) owners representing more than 51 percent of the  
5 appraised value of real property in the district subject to  
6 taxation, as determined by the tax rolls of the appraisal district.

7 Sec. 3938.203. SALES AND USE TAX. (a) The district may  
8 impose a sales and use tax if authorized by a majority of the voters  
9 of the district voting at an election called for that purpose.  
10 Revenue from the tax may be used for any purpose for which ad  
11 valorem tax revenue of the district may be used.

12 (b) The district may not adopt a sales and use tax if as a  
13 result of the adoption of the tax the combined rate of all sales and  
14 use taxes imposed by the district and other political subdivisions  
15 of this state having territory in the district would exceed two  
16 percent at any location in the district.

17 (c) If the voters of the district approve the adoption of  
18 the tax at an election held on the same election date on which  
19 another political subdivision adopts a sales and use tax or  
20 approves an increase in the rate of its sales and use tax and as a  
21 result the combined rate of all sales and use taxes imposed by the  
22 district and other political subdivisions of this state having  
23 territory in the district would exceed two percent at any location  
24 in the district, the election to adopt a sales and use tax under  
25 this chapter has no effect.

26 Sec. 3938.204. BONDS AND OTHER OBLIGATIONS. (a) The  
27 district may issue, by public or private sale, bonds, notes, or

1 other obligations payable wholly or partly from ad valorem taxes,  
2 sales and use taxes, or assessments in the manner provided by  
3 Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local  
4 Government Code.

5 (b) If the territory of the district is not located in the  
6 corporate boundaries or extraterritorial jurisdiction of a  
7 municipality, the district is not required to comply with Section  
8 375.207, Local Government Code, and may issue a bond or other  
9 obligation under Subchapter J, Chapter 375, Local Government Code,  
10 with the written consent of directors, as provided by Section  
11 375.071, Local Government Code.

12 (c) In exercising the district's borrowing power, the  
13 district may issue a bond or other obligation in the form of a bond,  
14 note, certificate of participation or other instrument evidencing a  
15 proportionate interest in payments to be made by the district, or  
16 other type of obligation.

17 (d) In addition to the sources of money described by  
18 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local  
19 Government Code, district bonds may be secured and made payable  
20 wholly or partly by a pledge of any part of the money the district  
21 receives from improvement revenue or from any other source.

22 Sec. 3938.205. BOND MATURITY. Bonds may mature not more  
23 than 40 years from their date of issue.

24 Sec. 3938.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
25 the time bonds or other obligations payable wholly or partly from ad  
26 valorem taxes are issued:

27 (1) the board shall impose a continuing direct annual

1 ad valorem tax for each year that all or part of the bonds are  
2 outstanding; and

3 (2) the district annually shall impose an ad valorem  
4 tax on all taxable property in the district in an amount sufficient  
5 to:

6 (A) pay the interest on the bonds or other  
7 obligations as the interest becomes due; and

8 (B) create a sinking fund for the payment of the  
9 principal of the bonds or other obligations when due or the  
10 redemption price at any earlier required redemption date.

11 SUBCHAPTER F. DISSOLUTION

12 Sec. 3938.251. DISSOLUTION BY ORDINANCE. (a) A  
13 municipality that includes territory of the district, in the  
14 corporate boundaries or extraterritorial jurisdiction of the  
15 municipality, by ordinance may dissolve the district.

16 (b) The municipality may not dissolve the district until the  
17 district's outstanding debt or contractual obligations that are  
18 payable from ad valorem taxes have been repaid or discharged, or the  
19 municipality has affirmatively assumed the obligation to pay the  
20 outstanding debt from municipal revenue.

21 Sec. 3938.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

22 (a) If the dissolved district has bonds or other obligations  
23 outstanding secured by and payable from assessments or other  
24 revenue, other than ad valorem taxes, the municipality that  
25 dissolves the district shall succeed to the rights and obligations  
26 of the district regarding enforcement and collection of the  
27 assessments or other revenue.

1       (b) The municipality shall have and exercise all district  
2 powers to enforce and collect the assessments or other revenue to  
3 pay:

4               (1) the bonds or other obligations when due and  
5 payable according to their terms; or

6               (2) special revenue or assessment bonds or other  
7 obligations issued by the municipality to refund the outstanding  
8 bonds or obligations.

9       Sec. 3938.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a)  
10 If a municipality dissolves the district, the municipality assumes,  
11 subject to the appropriation and availability of funds, the  
12 obligations of the district, including any bonds or other debt  
13 payable from assessments or other district revenue.

14       (b) If a municipality dissolves the district, the board  
15 shall transfer ownership of all district property to the  
16 municipality.

17       SECTION 2. The Grand Lake Estates Management District  
18 initially includes all the territory contained in the following  
19 area: Tract 1 is +/- 200.33 acres within the J. Sealy Survey  
20 Abstract (No. 758) and A. Hodge Survey Abstract (No. 18), and  
21 situated west of the Grand Lake Estates Subdivision Section 11  
22 (west of intersection of Guinevere Ln and Kirsten's Ct) and south of  
23 the Grand Lake Estates Subdivision Sections 6 and 8, in southwest  
24 Montgomery County with point of beginning being south Right-Of-Way  
25 (ROW) of Guinevere Ln and east boundary of 200.33 acre tract (A0758  
26 - Sealy John, TRACT 1-A (191.211 AC), A0018 HODGE ARCHIBALD, TRACT  
27 3A-1 (9.119 AC), ACRES 200.33);

1 Then south along east boundary of said 200.33 acre tract to  
2 southeast corner of said tract;

3 Then west along south boundary of said 200.33 acre tract to  
4 southwest corner of said tract;

5 Then north along west boundary of said 200.33 acre tract to  
6 northwest corner of said tract;

7 Then east along north boundary of said 200.33 acre tract to  
8 northeast corner of said tract;

9 Then south along east boundary of said 200.33 acre tract to south  
10 ROW of Guinevere Ln and point of beginning of +/-200.33 acre tract;

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

18 (b) The governor, one of the required recipients, has  
19 submitted the notice and Act to the Texas Commission on  
20 Environmental Quality.

21 (c) The Texas Commission on Environmental Quality has filed  
22 its recommendations relating to this Act with the governor,  
23 lieutenant governor, and speaker of the house of representatives  
24 within the required time.

25 (d) The general law relating to consent by political  
26 subdivisions to the creation of districts with conservation,  
27 reclamation, and road powers and the inclusion of land in those

1 districts has been complied with.

2 (e) All requirements of the constitution and laws of this  
3 state and the rules and procedures of the legislature with respect  
4 to the notice, introduction, and passage of this Act have been  
5 fulfilled and accomplished.

6 SECTION 4. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2015.



ADOPTED

MAY 27 2015

*Lotay Spaw*  
Secretary of the Senate

By: *Beardon Coe*

H.B. No. 4154

Substitute the following for H.B. No. 4154:

By: *Paul Bellerant*

C.S. H.B. No. 4154

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the creation of the Grand Lake Estates Management  
3 District; providing authority to issue bonds; providing authority  
4 to impose assessments, fees, or taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
7 Code, is amended by adding Chapter 3938 to read as follows:

8 CHAPTER 3938. GRAND LAKE ESTATES MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3938.001. DEFINITIONS. In this chapter:

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

12 (2) "County" means Montgomery County.

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

14 (4) "District" means the Grand Lake Estates Management  
15 District.

16 Sec. 3938.002. CREATION AND NATURE OF DISTRICT. The  
17 district is a special district created under Section 59, Article  
18 XVI, Texas Constitution.

19 Sec. 3938.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
20 creation of the district is essential to accomplish the purposes of  
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
22 Texas Constitution, and other public purposes stated in this  
23 chapter. By creating the district and in authorizing political  
24 subdivisions to contract with the district, the legislature has

1 established a program to accomplish the public purposes set out in  
2 Section 52-a, Article III, Texas Constitution.

3 (b) The creation of the district is necessary to promote,  
4 develop, encourage, and maintain employment, commerce,  
5 transportation, housing, tourism, recreation, the arts,  
6 entertainment, economic development, safety, and the public  
7 welfare in the district.

8 (c) The district is created to supplement and not to  
9 supplant county services provided in the district.

10 Sec. 3938.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
11 The district is created to serve a public use and benefit.

12 (b) All land and other property included in the district  
13 will benefit from the improvements and services to be provided by  
14 the district under powers conferred by Sections 52 and 52-a,  
15 Article III, and Section 59, Article XVI, Texas Constitution, and  
16 other powers granted under this chapter.

17 (c) The creation of the district is in the public interest  
18 and is essential to further the public purposes of:

19 (1) developing and diversifying the economy of the  
20 state;

21 (2) eliminating unemployment and underemployment;

22 (3) developing or expanding transportation and  
23 commerce; and

24 (4) providing quality residential housing.

25 (d) The district will:

26 (1) promote the health, safety, and general welfare of  
27 residents, employers, potential employees, employees, visitors,

1 and consumers in the district, and of the public;

2 (2) provide needed funding for the district to  
3 preserve, maintain, and enhance the economic health and vitality of  
4 the district territory as a residential community and business  
5 center; and

6 (3) promote the health, safety, welfare, and enjoyment  
7 of the public by providing pedestrian ways and by landscaping,  
8 removing graffiti from, and developing certain areas in the  
9 district, which are necessary for the restoration, preservation,  
10 and enhancement of scenic beauty.

11 (e) Pedestrian ways along or across a street, whether at  
12 grade or above or below the surface, and street lighting, street  
13 landscaping, vehicle parking, and street art objects are parts of  
14 and necessary components of a street and are considered to be an  
15 improvement project that includes a street or road improvement.

16 (f) The district will not act as the agent or  
17 instrumentality of any private interest even though the district  
18 will benefit many private interests as well as the public.

19 Sec. 3938.005. DISTRICT TERRITORY. (a) The district is  
20 initially composed of the territory described by Section 2 of the  
21 Act enacting this chapter.

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

26 (1) organization, existence, or validity;

27 (2) right to issue any type of bond for the purposes

1 for which the district is created or to pay the principal of and  
2 interest on a bond;

3 (3) right to impose or collect an assessment or tax; or

4 (4) legality or operation.

5 Sec. 3938.006. APPLICABILITY OF MUNICIPAL MANAGEMENT  
6 DISTRICTS LAW. Except as otherwise provided by this chapter,  
7 Chapter 375, Local Government Code, applies to the district.

8 Sec. 3938.007. CONSTRUCTION OF CHAPTER. This chapter shall  
9 be liberally construed in conformity with the findings and purposes  
10 stated in this chapter.

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 3938.051. GOVERNING BODY; TERMS. The district is  
13 governed by a board of five voting directors who serve staggered  
14 terms of four years with two or three directors' terms expiring June  
15 1 of each odd-numbered year.

16 Sec. 3938.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY  
17 COUNTY. To be qualified to serve as a director appointed by the  
18 governing body of the county, a person must be:

19 (1) a resident of the district who is also a registered  
20 voter of the district;

21 (2) an owner of property in the district;

22 (3) an owner of stock or a partnership or membership  
23 interest, whether beneficial or otherwise, of a corporate  
24 partnership, limited liability company, or other entity owner of a  
25 direct or indirect interest in property in the district;

26 (4) an owner of a beneficial interest in a trust, or a  
27 trustee in a trust, that directly or indirectly owns property in the

1 district;

2 (5) an agent, employee, or tenant of a person  
3 described by Subdivision (2), (3), or (4); or

4 (6) an initial director.

5 Sec. 3938.053. APPOINTMENT OF DIRECTORS. The governing  
6 body of the county shall appoint directors from persons recommended  
7 by the board.

8 Sec. 3938.054. VACANCY. If a vacancy occurs on the board,  
9 the remaining directors shall appoint a director for the remainder  
10 of the unexpired term.

11 Sec. 3938.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A  
12 director shall file the director's oath or affirmation of office  
13 with the district, and the district shall retain the oath or  
14 affirmation in the district records.

15 (b) A director shall file a copy of the director's oath or  
16 affirmation with the clerk of the county.

17 Sec. 3938.056. QUORUM. A vacant director position is not  
18 counted for purposes of establishing a quorum.

19 Sec. 3938.057. OFFICERS. The board shall elect from among  
20 the directors a chair, a vice chair, and a secretary. The offices  
21 of chair and secretary may not be held by the same person.

22 Sec. 3938.058. COMPENSATION; EXPENSES. (a) The district  
23 may compensate each director in an amount not to exceed \$50 for each  
24 board meeting. The total amount of compensation a director may  
25 receive each year may not exceed \$2,000.

26 (b) A director is entitled to reimbursement for necessary  
27 and reasonable expenses incurred in carrying out the duties and

1 responsibilities of the board.

2 Sec. 3938.059. LIABILITY INSURANCE. The district may obtain  
3 and pay for comprehensive general liability insurance coverage from  
4 a commercial insurance company or other source that protects and  
5 insures a director against personal liability and from all claims  
6 relating to:

7 (1) actions taken by the director in the director's  
8 capacity as a member of the board;

9 (2) actions and activities taken by the district; or

10 (3) the actions of others acting on behalf of the  
11 district.

12 Sec. 3938.060. NO EXECUTIVE COMMITTEE. The board may not  
13 create an executive committee to exercise the powers of the board.

14 Sec. 3938.061. BOARD MEETINGS. The board shall hold  
15 meetings at a place accessible to the public.

16 Sec. 3938.062. INITIAL DIRECTORS. (a) The initial board  
17 consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Collin Nguyen</u>
<u>2</u>	<u>Laura Dodson</u>
<u>3</u>	<u>Roger Stacey</u>
<u>4</u>	<u>Amanda James</u>
<u>5</u>	<u>Joe Teagarden</u>

24 (b) The terms of the initial directors expire June 1, 2017.

25 (c) Of the directors who replace an initial director, the  
26 terms of directors serving in positions 1 through 3 expire June 1,  
27 2019, and the terms of directors serving in positions 4 and 5 expire

1 June 1, 2021.

2 (d) Section 3938.052 does not apply to initial directors  
3 under this section.

4 (e) This section expires September 1, 2021.

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 3938.101. GENERAL POWERS AND DUTIES. The district has  
7 the powers and duties necessary to accomplish the purposes for  
8 which the district is created.

9 Sec. 3938.102. IMPROVEMENT PROJECTS AND SERVICES. The  
10 district may provide, design, construct, acquire, improve,  
11 relocate, operate, maintain, or finance an improvement project or  
12 service using money available to the district, or contract with a  
13 governmental or private entity to provide, design, construct,  
14 acquire, improve, relocate, operate, maintain, or finance an  
15 improvement project or service authorized under this chapter or  
16 Chapter 375, Local Government Code.

17 Sec. 3938.103. LOCATION OF IMPROVEMENT PROJECT. An  
18 improvement project described by Section 3938.102 may be located:

19 (1) in the district; or

20 (2) in an area outside but adjacent to the district if  
21 the project is for the purpose of extending a public infrastructure  
22 improvement beyond the district's boundaries to a logical terminus.

23 Sec. 3938.104. DEVELOPMENT CORPORATION POWERS. The  
24 district, using money available to the district, may exercise the  
25 powers given to a development corporation under Chapter 505, Local  
26 Government Code, including the power to own, operate, acquire,  
27 construct, lease, improve, or maintain a project under that

1 chapter.

2 Sec. 3938.105. NONPROFIT CORPORATION. (a) The board by  
3 resolution may authorize the creation of a nonprofit corporation to  
4 assist and act for the district in implementing a project or  
5 providing a service authorized by this chapter.

6 (b) The nonprofit corporation:

7 (1) has each power of and is considered to be a local  
8 government corporation created under Subchapter D, Chapter 431,  
9 Transportation Code; and

10 (2) may implement any project and provide any service  
11 authorized by this chapter.

12 (c) The board shall appoint the board of directors of the  
13 nonprofit corporation. The board of directors of the nonprofit  
14 corporation shall serve in the same manner as the board of directors  
15 of a local government corporation created under Subchapter D,  
16 Chapter 431, Transportation Code, except that a board member is not  
17 required to reside in the district.

18 Sec. 3938.106. AGREEMENTS; GRANTS. (a) As provided by  
19 Chapter 375, Local Government Code, the district may make an  
20 agreement with or accept a gift, grant, or loan from any person.

21 (b) The implementation of a project is a governmental  
22 function or service for the purposes of Chapter 791, Government  
23 Code.

24 Sec. 3938.107. LAW ENFORCEMENT SERVICES. To protect the  
25 public interest, the district may contract with a qualified party,  
26 including the county, to provide law enforcement services in the  
27 district for a fee.



1       Sec. 3938.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
2 district may join and pay dues to a charitable or nonprofit  
3 organization that performs a service or provides an activity  
4 consistent with the furtherance of a district purpose.

5       Sec. 3938.109. ECONOMIC DEVELOPMENT. (a) The district may  
6 engage in activities that accomplish the economic development  
7 purposes of the district.

8       (b) The district may establish and provide for the  
9 administration of one or more programs to promote state or local  
10 economic development and to stimulate business and commercial  
11 activity in the district, including programs to:

12             (1) make loans and grants of public money; and

13             (2) provide district personnel and services.

14       (c) The district may create economic development programs  
15 and exercise the economic development powers that:

16             (1) Chapter 380, Local Government Code, provides to a  
17 municipality; and

18             (2) Subchapter A, Chapter 1509, Government Code,  
19 provides to a municipality.

20       Sec. 3938.110. REAL PROPERTY RESTRICTIONS. (a) The  
21 district may adopt restrictions on the use of real property in the  
22 district.

23       (b) The district may enforce restrictions on the use of real  
24 property in the district in the manner provided for a municipal  
25 utility district by Section 54.237, Water Code.

26       Sec. 3938.111. DESIGNATION OF SPECIAL ZONES. (a) The  
27 district may designate all or any part of the area of the district,

1 as if the district were a municipality, as:

2 (1) a tax increment reinvestment zone under Chapter  
3 311, Tax Code;

4 (2) a tax abatement reinvestment zone under Chapter  
5 312, Tax Code; or

6 (3) an industrial district under Chapter 42, Local  
7 Government Code.

8 (b) Section 311.006(b), Tax Code, does not apply to a tax  
9 increment reinvestment zone created by the district.

10 (c) The district may submit to the Texas Economic  
11 Development Bank a request for designation of a project or activity  
12 in the district as an enterprise project in the manner provided for  
13 a municipality to submit a request under Chapter 2303, Government  
14 Code.

15 (d) If the county creates a tax increment reinvestment zone  
16 under Chapter 311, Tax Code, the county, by contract with the  
17 district, may grant money deposited in the tax increment fund to the  
18 district to be used by the district for the purposes permitted for  
19 money granted to a corporation under Section 380.002(b), Local  
20 Government Code, including the right to pledge the money as  
21 security for any bonds issued by the district for an improvement  
22 project.

23 Sec. 3938.112. CONCURRENCE ON ADDITIONAL POWERS. If the  
24 territory of the district is located in the corporate boundaries or  
25 the extraterritorial jurisdiction of a municipality, the district  
26 may not exercise a power granted to the district after the date the  
27 district was created unless the governing body of the municipality

1 by resolution consents to the district's exercise of the power.

2 Sec. 3938.113. NO EMINENT DOMAIN POWER. The district may  
3 not exercise the power of eminent domain.

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

5 Sec. 3938.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
6 board by resolution shall establish the number of signatures and  
7 the procedure required for a disbursement or transfer of the  
8 district's money.

9 Sec. 3938.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
10 The district may acquire, construct, finance, operate, or maintain  
11 an improvement project or service authorized under this chapter or  
12 Chapter 375, Local Government Code, using any money available to  
13 the district.

14 Sec. 3938.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT  
15 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or  
16 secure the payment or repayment of any bond, note, or other  
17 temporary or permanent obligation or reimbursement or other  
18 contract with any person and the costs and expenses of the  
19 establishment, administration, and operation of the district and  
20 the district's costs or share of the costs or revenue of an  
21 improvement project or district contractual obligation or  
22 indebtedness by:

23 (1) the imposition of an ad valorem tax or sales and  
24 use tax or an assessment, user fee, concession fee, or rental  
25 charge; or

26 (2) any other revenue or resources of the district,  
27 including revenues from a tax increment reinvestment zone.

1           Sec. 3938.154. PETITION REQUIRED FOR FINANCING SERVICES AND  
2 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
3 service or improvement project with assessments under this chapter  
4 unless a written petition requesting that service or improvement  
5 has been filed with the board.

6           (b) The petition must be signed by the owners of a majority  
7 of the assessed value of real property in the district subject to  
8 assessment according to the most recent certified tax appraisal  
9 roll for the county.

10          Sec. 3938.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
11 The board by resolution may impose and collect an assessment for any  
12 purpose authorized by this chapter in all or any part of the  
13 district.

14          (b) An assessment, a reassessment, or an assessment  
15 resulting from an addition to or correction of the assessment roll  
16 by the district, penalties and interest on an assessment or  
17 reassessment, an expense of collection, and reasonable attorney's  
18 fees incurred by the district:

19               (1) are a first and prior lien against the property  
20 assessed;

21               (2) are superior to any other lien or claim other than  
22 a lien or claim for county, school district, or municipal ad valorem  
23 taxes; and

24               (3) are the personal liability of and a charge against  
25 the owners of the property even if the owners are not named in the  
26 assessment proceedings.

27          (c) The lien is effective from the date of the board's

1 resolution imposing the assessment until the date the assessment is  
2 paid. The board may enforce the lien in the same manner that the  
3 board may enforce an ad valorem tax lien against real property.

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

8 Sec. 3938.156. STORM WATER USER CHARGES. The district may  
9 establish user charges related to the operation of storm water  
10 facilities, including the regulation of storm water for the  
11 protection of water quality in the district.

12 Sec. 3938.157. NONPOTABLE WATER USER CHARGES. The district  
13 may establish user charges for the use of nonpotable water for  
14 irrigation purposes, subject to approval of the governing body of  
15 the county.

16 Sec. 3938.158. COSTS FOR IMPROVEMENT PROJECTS. The  
17 district may undertake separately or jointly with other persons,  
18 including the county, all or part of the cost of an improvement  
19 project, including an improvement project:

20 (1) for improving, enhancing, and supporting public  
21 safety and security, fire protection and emergency medical  
22 services, and law enforcement in or adjacent to the district; or

23 (2) that confers a general benefit on the entire  
24 district or a special benefit on a definable part of the district.

25 Sec. 3938.159. TAX AND ASSESSMENT ABATEMENTS. The district  
26 may designate reinvestment zones and may grant abatements of a tax  
27 or assessment on property in the zones.

1                                    SUBCHAPTER E. TAXES AND BONDS

2                    Sec. 3938.201. TAX ABATEMENT. The district may enter into a  
3 tax abatement agreement in accordance with the general laws of this  
4 state authorizing and applicable to a tax abatement agreement by a  
5 municipality.

6                    Sec. 3938.202. PROPERTY TAX AUTHORIZED. (a) The district  
7 may impose an ad valorem tax on all taxable property in the district  
8 to:

9                                    (1) pay for an improvement project of the types  
10 authorized by Section 52(b), Article III, and Section 59, Article  
11 XVI, Texas Constitution; or

12                                    (2) secure the payment of bonds issued for a purpose  
13 described by Subdivision (1).

14                    (b) The district may not impose an ad valorem tax to pay for  
15 an improvement project under this chapter unless the imposition is  
16 approved by the voters of the district voting at an election held  
17 for that purpose. The board may call an election to approve the  
18 imposition of an ad valorem tax to pay for an improvement project  
19 under this chapter only if the board receives a petition requesting  
20 the election signed by:

21                                    (1) more than 51 percent of the record owners of real  
22 property in the district subject to taxation; or

23                                    (2) owners representing more than 51 percent of the  
24 appraised value of real property in the district subject to  
25 taxation, as determined by the tax rolls of the appraisal district.

26                    Sec. 3938.203. SALES AND USE TAX. (a) The district may  
27 impose a sales and use tax if authorized by a majority of the voters

1 of the district voting at an election called for that purpose.  
2 Revenue from the tax may be used for any purpose for which ad  
3 valorem tax revenue of the district may be used.

4 (b) The district may not adopt a sales and use tax if as a  
5 result of the adoption of the tax the combined rate of all sales and  
6 use taxes imposed by the district and other political subdivisions  
7 of this state having territory in the district would exceed two  
8 percent at any location in the district.

9 (c) If the voters of the district approve the adoption of  
10 the tax at an election held on the same election date on which  
11 another political subdivision adopts a sales and use tax or  
12 approves an increase in the rate of its sales and use tax and as a  
13 result the combined rate of all sales and use taxes imposed by the  
14 district and other political subdivisions of this state having  
15 territory in the district would exceed two percent at any location  
16 in the district, the election to adopt a sales and use tax under  
17 this chapter has no effect.

18 Sec. 3938.204. BONDS AND OTHER OBLIGATIONS. (a) The  
19 district may issue, by public or private sale, bonds, notes, or  
20 other obligations payable wholly or partly from ad valorem taxes,  
21 sales and use taxes, or assessments in the manner provided by  
22 Subchapter J, Chapter 375, Local Government Code.

23 (b) If the territory of the district is not located in the  
24 corporate boundaries or extraterritorial jurisdiction of a  
25 municipality, the district is not required to comply with Section  
26 375.207, Local Government Code, and may issue a bond or other  
27 obligation under Subchapter J, Chapter 375, Local Government Code,

1 with the written consent of directors, as provided by Section  
2 375.071, Local Government Code.

3 (c) In exercising the district's borrowing power, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation or other instrument evidencing a  
6 proportionate interest in payments to be made by the district, or  
7 other type of obligation.

8 (d) In addition to the sources of money described by  
9 Subchapter J, Chapter 375, Local Government Code, district bonds  
10 may be secured and made payable wholly or partly by a pledge of any  
11 part of the money the district receives from improvement revenue or  
12 from any other source.

13 Sec. 3938.205. BOND MATURITY. Bonds may mature not more  
14 than 40 years from their date of issue.

15 Sec. 3938.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
16 the time bonds or other obligations payable wholly or partly from ad  
17 valorem taxes are issued:

18 (1) the board shall impose a continuing direct annual  
19 ad valorem tax for each year that all or part of the bonds are  
20 outstanding; and

21 (2) the district annually shall impose an ad valorem  
22 tax on all taxable property in the district in an amount sufficient  
23 to:

24 (A) pay the interest on the bonds or other  
25 obligations as the interest becomes due; and

26 (B) create a sinking fund for the payment of the  
27 principal of the bonds or other obligations when due or the



1 redemption price at any earlier required redemption date.

2 SUBCHAPTER F. DISSOLUTION

3 Sec. 3938.251. DISSOLUTION BY ORDINANCE. (a) A

4 municipality that includes territory of the district, in the  
5 corporate boundaries or extraterritorial jurisdiction of the  
6 municipality, by ordinance may dissolve the district.

7 (b) The municipality may not dissolve the district until the  
8 district's outstanding debt or contractual obligations that are  
9 payable from ad valorem taxes have been repaid or discharged, or the  
10 municipality has affirmatively assumed the obligation to pay the  
11 outstanding debt from municipal revenue.

12 Sec. 3938.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

13 (a) If the dissolved district has bonds or other obligations  
14 outstanding secured by and payable from assessments or other  
15 revenue, other than ad valorem taxes, the municipality that  
16 dissolves the district shall succeed to the rights and obligations  
17 of the district regarding enforcement and collection of the  
18 assessments or other revenue.

19 (b) The municipality shall have and exercise all district  
20 powers to enforce and collect the assessments or other revenue to  
21 pay:

22 (1) the bonds or other obligations when due and  
23 payable according to their terms; or

24 (2) special revenue or assessment bonds or other  
25 obligations issued by the municipality to refund the outstanding  
26 bonds or obligations.

27 Sec. 3938.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a)

1 If a municipality dissolves the district, the municipality assumes,  
2 subject to the appropriation and availability of funds, the  
3 obligations of the district, including any bonds or other debt  
4 payable from assessments or other district revenue.

5 (b) If a municipality dissolves the district, the board  
6 shall transfer ownership of all district property to the  
7 municipality.

8 SECTION 2. The Grand Lake Estates Management District  
9 initially includes all the territory contained in the following  
10 area: Tract 1 is +/- 200.33 acres within the J. Sealy Survey  
11 Abstract (No. 758) and A. Hodge Survey Abstract (No. 18), and  
12 situated west of the Grand Lake Estates Subdivision Section 11  
13 (west of intersection of Guinevere Ln and Kirsten's Ct) and south of  
14 the Grand Lake Estates Subdivision Sections 6 and 8, in southwest  
15 Montgomery County with point of beginning being south Right-Of-Way  
16 (ROW) of Guinevere Ln and east boundary of 200.33 acre tract (A0758  
17 - Sealy John, TRACT 1-A (191.211 AC), A0018 HODGE ARCHIBALD, TRACT  
18 3A-1 (9.119 AC), ACRES 200.33);  
19 Then south along east boundary of said 200.33 acre tract to  
20 southeast corner of said tract;  
21 Then west along south boundary of said 200.33 acre tract to  
22 southwest corner of said tract;  
23 Then north along west boundary of said 200.33 acre tract to  
24 northwest corner of said tract;  
25 Then east along north boundary of said 200.33 acre tract to  
26 northeast corner of said tract;  
27 Then south along east boundary of said 200.33 acre tract to south

1 ROW of Guinevere Ln and point of beginning of +/-200.33 acre tract;

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

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

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

16 (d) The general law relating to consent by political  
17 subdivisions to the creation of districts with conservation,  
18 reclamation, and road powers and the inclusion of land in those  
19 districts has been complied with.

20 (e) All requirements of the constitution and laws of this  
21 state and the rules and procedures of the legislature with respect  
22 to the notice, introduction, and passage of this Act have been  
23 fulfilled and accomplished.

24 SECTION 4. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

1 Act takes effect September 1, 2015.

# ADOPTED

FLOOR AMENDMENT NO. 1

MAY 27 2015

*Lobby Spaw*  
Secretary of the Senate

*Beardor Coepton*

1 Amend C.S.H.B. 4154 (senate committee printing) by adding  
2 the following appropriately numbered SECTIONS to the bill and  
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION \_\_\_\_\_. Section 2, Chapter 465, Acts of the 79th  
5 Legislature, Regular Session, 2005, is amended to read as  
6 follows:

7 Sec. 2. The Harris County Municipal Utility District No.  
8 465 [~~initially~~] includes all the territory contained in the  
9 following area:

10 Being 320.794 acres of land located in the A. E. Spencer  
11 Survey, Abstract 1365, and the W. B. Macomer Survey, Abstract  
12 1528, the L. Breeding Survey, Abstract 1468, and the C. Breeding  
13 Survey, Abstract 1467, Harris County, Texas, being a portion of  
14 that certain called 315.38 acre tract (Tract I) and the residue  
15 of that certain called 19.768 acre tract (Tract III) by an  
16 instrument of record in File Number D990282, Official Public  
17 Records of Real Property, Harris County, Texas,  
18 (H.C.O.P.R.R.P.), said 320.794 acres being more particularly  
19 described by metes and bounds as follows, all bearings based  
20 upon the west line of said 315.38 acre tract, and being north  
21 (called north);

22 BEGINNING on the common line of said W. B. Macomer Survey,  
23 Abstract 1528, and the H. & T.C. Railroad Company Survey Section  
24 87, Abstract 455 of said Harris County, Texas, at its  
25 intersection with the north right-of-way line of F. M. Highway  
26 529, said point being the southwest corner of said 315.38 acre  
27 tract;

28 Thence, North (called North) along the common line of said  
29 W. B. Macomer Survey and said H. & T.C. Railroad Company Survey,

1 5,204.14 feet to the northwest corner of the herein described  
2 tract, the northwest corner of said 315.38 acre tract, same  
3 being the northeast corner of a called 21.157 acre tract by an  
4 instrument of record in File Number P040350, H.C.O.P.R.R.P., on  
5 the south right-of-way line of Longenbaugh Road;

6 Thence, North 89° 59' 17" East, along the north line of the  
7 herein described tract and the north line of said 315.38 acre  
8 tract, and the south right-of-way line of said Longenbaugh Road,  
9 2,640.00 feet to the northeast corner of the herein described  
10 tract and the northeast corner of said 315.38 acre tract, same  
11 being the northwest corner of the residue of a called 510.63  
12 acre tract by an instrument of record in Volume 1270, Page 473,  
13 and Volume 1267, Page 163, Deed Records of said Harris County,  
14 Texas (H.C.D.R.);

15 Thence, South (called South) along the east line of the  
16 herein described tract and the east line of said called 315.38  
17 acre tract, same being the west line of said adjoining residue  
18 of a called 510.63 acre tract, at 2,613.77 feet pass a point on  
19 said line at its intersection with the south line of the A. E.  
20 Spencer Survey, Abstract 1365, said point being the southwest  
21 corner of said adjoining residue of a called 510.63 acre tract,  
22 same being the northwest corner of an adjoining called 73.718  
23 acre tract described in deed recorded under County Clerk's File  
24 Numbers L9788401, N447931, N447932, and W740505, Official Public  
25 Records of Real Property, Harris County, Texas, said point also  
26 being the northwest corner of the L. Breeding Survey, Abstract  
27 1468, same being the northeast corner of the W. B. Macomer  
28 Survey, Abstract 1528, and continuing for a total distance of  
29 3,844.35 feet to a reentry corner to the herein described tract,  
30 same being the southwest corner of said adjoining called 73.718  
31 acre tract;

1 Thence, North 89 degrees 57 minutes 16 seconds East  
2 (adjoiner called East) along the lower north line of the herein  
3 described tract, same being the south line of said adjoining  
4 called 73.718 acre tract, 2,609.39 feet (adjoiner called  
5 2,609.44 feet) to a northeast corner of the herein described  
6 tract, same being the southeast corner of said adjoining called  
7 73.718 acre tract, and being in the west right-of-way line of  
8 Katy Hockley Road;

9 Thence, South 00 degrees 01 minute 11 seconds East (called  
10 South) along the middle east line the herein described tract and  
11 the east line of said residue of a called 19.768 acre tract,  
12 same being the west right-of-way line of Katy Hockley Road,  
13 90.00 feet to a southeast corner of the herein described tract  
14 and the southeast corner of said called 19.768 acre tract, same  
15 being the northeast corner of an adjoining called 1.00 acre  
16 tract described in deed recorded under County Clerk's File  
17 Number T395128, Official Public Records of Real Property, Harris  
18 County, Texas, said point also being the southeast corner of the  
19 C. Breeding Survey, Abstract 1467, same being the lower  
20 northeast corner of the L. Breeding Survey, Abstract 1468;

21 Thence, South 89 degrees 57 minutes 16 seconds West along  
22 the south line of the C. Breeding Survey, Abstract 1467, same  
23 being the lower north line of the L. Breeding Survey, Abstract  
24 1468, being the upper south line of the herein described tract  
25 and the south line of said called 19.768 acre tract, same being  
26 the north line of said adjoining called 1.00 acre tract, and  
27 along the north line of an adjoining called 1.9578 acre tract  
28 described in deed recorded under County Clerk's File Number  
29 T233387, Official Public Records of Real Property, Harris  
30 County, Texas, the north line of an adjoining called 13.9559  
31 acre tract described in deed recorded under County Clerk's File

1 Number G594514, Official Public Records of Real Property, Harris  
2 County, Texas, the north line of an adjoining called 13.955 acre  
3 tract described in deed recorded under County Clerk's File  
4 Number H415235, Official Public Records of Real Property, Harris  
5 County, Texas, the north line of an adjoining called 3.955 acre  
6 tract described in deed recorded under County Clerk's File  
7 Number G067328, Official Public Records of Real Property, Harris  
8 County, Texas, and the north line of an adjoining called 10 acre  
9 tract described in deed recorded under County Clerk's File  
10 Number D745445, Official Public Records of Real Property, Harris  
11 County, Texas, the north line of an adjoining called 10 acre  
12 tract described in deed recorded under County Clerk's File  
13 Number H755391, Official Public Records of Real Property, Harris  
14 County, Texas, the north line of an adjoining called 10 acre  
15 tract described in deed recorded under County Clerk's File  
16 Number H956910, Official Public Records of Real Property, Harris  
17 County, Texas, for a total distance of 2,610.82 feet (called  
18 2,609.44 feet) to a reentry corner to the herein described  
19 tract, same being the occupied northwest corner of said  
20 adjoining called 10 acre tract (County Clerk's File Number  
21 H956910), said point also being in the occupied common line of  
22 the L. Breeding Survey, Abstract 1468, and the W. B. Macomer  
23 Survey, Abstract 1528;

24 Thence, South 00 degrees 03 minutes 48 seconds East (called  
25 South) along the occupied common line of the herein described  
26 tract and said adjoining called 10 acre tract, 1,269.78 feet to  
27 a southeast corner of said called 315.38 acre tract, same being  
28 the southwest corner of said adjoining called 10 acre tract, and  
29 being in the north right-of-way line of F. M. Highway 529;

30 Thence, North 89 degrees 59 minutes 17 seconds West (called  
31 West) along the lower south line of the herein described tract



1 and the south line of said called 315.38 acre tract, same being  
2 the north right-of-way line of F. M. Highway 529, 2,640.00 feet  
3 (called 2,640 feet) to the Place of Beginning and containing  
4 320.794 acres of land, more or less.

5 ~~[TRACT I:~~

6 ~~[FIELD NOTES FOR A 315.38 ACRE TRACT OF LAND, 156.84 ACRES OUT~~  
7 ~~OF THE W.B. MACOMER SURVEY, ABSTRACT 1528, BEING THE SOUTHWEST ¼~~  
8 ~~OF SECTION 76, BLOCK 2 OF THE H. & T. C. R.R. COMPANY SURVEY AND~~  
9 ~~158.54 ACRES OUT OF THE A. E. SPENCER SURVEY, ABSTRACT 1365,~~  
10 ~~BEING THE NORTHWEST ¼ OF SECTION 76, BLOCK 2 OF THE H. & T. C.~~  
11 ~~R.R. COMPANY SURVEY, HARRIS COUNTY, TEXAS.~~

12 ~~[BEGINNING at 1-1/4 inch Iron Pipe found on the North line of F.~~  
13 ~~M. Highway 529, said point being the Southeast corner and Place~~  
14 ~~of Beginning of the herein described 315.38 Acre Tract, said~~  
15 ~~point being located West 2639.44 feet and North 52 feet from the~~  
16 ~~Southeast corner of the H. & T. C. R.R. Company Survey, Section~~  
17 ~~76;~~

18 ~~[THENCE North along the East line of the W. B. Macomer Survey~~  
19 ~~being a part of the aforementioned H. & T. C. R.R. Company~~  
20 ~~Survey Section 76, at 2588 feet pass a 5/8 inch Iron Rod set on~~  
21 ~~said line at the Northeast corner of the aforementioned W. B.~~  
22 ~~Macomer Survey, same being in the South line of the A. E.~~  
23 ~~Spencer Survey, and continuing for a total distance of 5204 feet~~  
24 ~~to a 1-1/4 inch Iron Pipe set on the South line of Longenbaugh~~  
25 ~~Road for the Northeast corner of the herein described 315.58~~  
26 ~~Acre Tract;~~

27 ~~[THENCE West along the South line of Longenbaugh Road, 2640 feet~~  
28 ~~to a 1-1/4 inch Iron Pipe set in the West line of the H. & T. C.~~  
29 ~~R.R. Company Survey Section 76 for the Northwest corner of the~~  
30 ~~herein described 315.38 Acre Tract;~~

31 ~~[THENCE South along the West line of said Section 76, at 2616~~

1 ~~feet pass the Southwest corner of the A.E. Spencer Survey, being~~  
2 ~~a part of the aforementioned Section 76, same being the~~  
3 ~~Northwest corner of the W. B. Macomer Survey, being a part of~~  
4 ~~the aforementioned Section 76, and continuing for a total~~  
5 ~~distance of 3204 feet to a 1-1/4 inch Iron Pipe set in the South~~  
6 ~~line of F.M. Highway 529 for the Southwest corner of the herein~~  
7 ~~described 315.38 Acre Tract;~~

8 ~~[THENCE East along the South line of said F.M. Highway 529, 2640~~  
9 ~~feet to the Place of BEGINNING and containing 315.38 acres of~~  
10 ~~land.~~

11 ~~[TRACT II:~~

12 ~~[FIELD NOTES FOR A 19.768 ACRE TRACT OF LAND, BEING 9.77 ACRES~~  
13 ~~OUT OF THE C. BREEDING SURVEY, ABSTRACT 1467, AND 9.998 ACRES~~  
14 ~~OUT OF THE L. BREEDING SURVEY, ABSTRACT 1468, AND BEING IN THE~~  
15 ~~SOUTHEAST 1/4 OF SECTION 76, BLOCK 2 OF THE H. & T. C. R.R.~~  
16 ~~COMPANY SURVEY, HARRIS COUNTY, TEXAS.~~

17 ~~[BEGINNING at a 3/4 inch Iron Pipe found on the West line of~~  
18 ~~Katy-Hockley Road at the Southeast corner and Place of Beginning~~  
19 ~~of the herein described 19.768 Acre Tract said point being~~  
20 ~~located North 1319.4 feet and West 30 feet from a Railroad Spike~~  
21 ~~found at the Southeast corner of Section 76 as located in the~~  
22 ~~intersection of F.M. Highway 529 and Katy-Hockley Road;~~

23 ~~[THENCE West along the common line of the L. Breeding Survey,~~  
24 ~~Abstract 1468, and the C. Breeding Survey, Abstract 1467, at~~  
25 ~~1289.44 feet pass the Southwest corner of the C. Breeding~~  
26 ~~Survey, same being a reentry corner to the L. Breeding Survey,~~  
27 ~~and continuing for a total distance of 2609.44 feet to a 1-1/4~~  
28 ~~inch Iron Pipe found in the East line of the W. B. Macomer~~  
29 ~~Survey for the Southwest corner of the herein described 19.768~~  
30 ~~Acre Tract;~~

31 ~~[THENCE North along the East line of said W. B. Macomer Survey,~~

1 ~~same being a West line of the L. Breeding Survey, 330 feet to a~~  
2 ~~5/8 inch Iron Rod set on said line for the Northwest corner of~~  
3 ~~the herein described 19.768 Acre Tract;~~

4 ~~[THENCE East along a line establishing the North line of the~~  
5 ~~herein described 19.768 Acre Tract; 2609.44 feet to a 5/8 inch~~  
6 ~~Iron Rod set in the West line of Katy Hockley Road for the~~  
7 ~~Northeast corner of the herein described 19.768 Acre Tract of~~  
8 ~~land;~~

9 ~~[THENCE south along the West line of said Katy Hockley Road, 330~~  
10 ~~feet to the Place of BEGINNING and containing 19.768 acres of~~  
11 ~~land.]~~

12 SECTION \_\_\_\_\_. (a) The Harris County Municipal Utility  
13 District No. 465 retains all rights, powers, privileges,  
14 authority, duties, and functions that it had before the  
15 effective date of this Act.

16 (b) Notwithstanding any other law, the Harris County  
17 Municipal Utility District No. 465 may continue to rely on any  
18 bond election held before the effective date of this Act.

19 SECTION \_\_\_\_\_. (a) Any act or proceeding of the district,  
20 including an election, not excepted by this section and taken  
21 before the effective date of this Act, is validated and  
22 confirmed in all respects.

23 (b) This section does not apply to:

24 (1) an act, proceeding, director, other official,  
25 bond, or other obligation the validity of which or of whom is  
26 the subject of litigation that is pending on the effective date  
27 of this Act; or

28 (2) an act or proceeding that, under a statute of  
29 this state or the United States, was a misdemeanor or felony at  
30 the time the act or proceeding occurred.

31 SECTION \_\_\_\_\_. (a) The legal notice of the intention to

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

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

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

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

27 ADOPTED

1 Floor Amendment No. \_\_\_\_\_

MAY 27 2015

By:

*Brandon Coughton*

*Kathy Shaw*

2

3 Amend H.B. 4154 (senate committee report) as follows:

4 (1) In the caption of the bill (page 1, line 20), between  
5 "District" and ";" insert the following:

6 "and the Montgomery County Municipal Utility District No.  
7 152."

8 (2) After SECTION 2 of the bill (page 8, line 27), insert  
9 the following new SECTIONS 3 and 4 and renumber the subsequent  
10 sections accordingly:

11 "SECTION 3. Subtitle F, Title 6, Special District Local  
12 Laws Code, is amended by adding Chapter 7932 to read as follows:

13 CHAPTER 7932. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO.

14 152

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 7932.001. DEFINITIONS. In this chapter:

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

18 (2) "Commission" means the Texas Commission on  
19 Environmental Quality.

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

21 (4) "District" means the Montgomery County Municipal  
22 Utility District No. 152.

23 Sec. 7932.002. NATURE OF DISTRICT. The district is a  
24 municipal utility district created under Section 59, Article  
25 XVI, Texas Constitution.

26 Sec. 7932.003. CONFIRMATION AND DIRECTORS' ELECTION  
27 REQUIRED. The temporary directors shall hold an election to  
28 confirm the creation of the district and to elect five permanent  
29 directors as provided by Section 49.102, Water Code.

30 Sec. 7932.004. CONSENT OF MUNICIPALITY REQUIRED. The

1 temporary directors may not hold an election under Section  
2 7932.003 until each municipality in whose corporate limits or  
3 extraterritorial jurisdiction the district is located has  
4 consented by ordinance or resolution to the creation of the  
5 district and to the inclusion of land in the district.

6 Sec. 7932.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

7 (a) The district is created to serve a public purpose and  
8 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. 7932.006. 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  
20 of the Act enacting this chapter form a closure. A mistake made  
21 in the field notes or in copying the field notes in the  
22 legislative process 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

28 (4) legality or operation.

29 SUBCHAPTER B. BOARD OF DIRECTORS

30 Sec. 7932.051. GOVERNING BODY; TERMS. (a) The district

1 is governed by a board of five elected directors.

2 (b) Except as provided by Section 7932.052, directors  
3 serve staggered four-year terms.

4 Sec. 7932.052. TEMPORARY DIRECTORS. (a) On or after the  
5 effective date of the Act enacting this chapter, the owner or  
6 owners of a majority of the assessed value of the real property  
7 in the district may submit a petition to the commission  
8 requesting that the commission appoint as temporary directors  
9 the five persons named in the petition. The commission shall  
10 appoint as temporary directors the five persons named in the  
11 petition.

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

13 (1) the date permanent directors are elected under  
14 Section 7932.003; or

15 (2) the fourth anniversary of the effective date of  
16 the Act enacting this chapter.

17 (c) If permanent directors have not been elected under  
18 Section 7932.003 and the terms of the temporary directors have  
19 expired, successor temporary directors shall be appointed or  
20 reappointed as provided by Subsection (d) to serve terms that  
21 expire on the earlier of:

22 (1) the date permanent directors are elected under  
23 Section 7932.003; or

24 (2) the fourth anniversary of the date of the  
25 appointment or reappointment.

26 (d) If Subsection (c) applies, the owner or owners of a  
27 majority of the assessed value of the real property in the  
28 district may submit a petition to the commission requesting that  
29 the commission appoint as successor temporary directors the five  
30 persons named in the petition. The commission shall appoint as

1 successor temporary directors the five persons named in the  
2 petition.

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 7932.101. GENERAL POWERS AND DUTIES. The district  
5 has the powers and duties necessary to accomplish the purposes  
6 for which the district is created.

7 Sec. 7932.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
8 DUTIES. The district has the powers and duties provided by the  
9 general law of this state, including Chapters 49 and 54, Water  
10 Code, applicable to municipal utility districts created under  
11 Section 59, Article XVI, Texas Constitution.

12 Sec. 7932.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
13 52, Article III, Texas Constitution, the district may design,  
14 acquire, construct, finance, issue bonds for, improve, operate,  
15 maintain, and convey to this state, a county, or a municipality  
16 for operation and maintenance macadamized, graveled, or paved  
17 roads, or improvements, including storm drainage, in aid of  
18 those roads.

19 Sec. 7932.104. ROAD STANDARDS AND REQUIREMENTS. (a) A  
20 road project must meet all applicable construction standards,  
21 zoning and subdivision requirements, and regulations of each  
22 municipality in whose corporate limits or extraterritorial  
23 jurisdiction the road project is located.

24 (b) If a road project is not located in the corporate  
25 limits or extraterritorial jurisdiction of a municipality, the  
26 road project must meet all applicable construction standards,  
27 subdivision requirements, and regulations of each county in  
28 which the road project is located.

29 (c) If the state will maintain and operate the road, the  
30 Texas Transportation Commission must approve the plans and



1 specifications of the road project.

2 Sec. 7932.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
3 OR RESOLUTION. The district shall comply with all applicable  
4 requirements of any ordinance or resolution that is adopted  
5 under Section 54.016 or 54.0165, Water Code, and that consents  
6 to the creation of the district or to the inclusion of land in  
7 the district.

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 7932.151. ELECTIONS REGARDING TAXES OR BONDS.

10 (a) The district may issue, without an election, bonds and  
11 other obligations secured by:

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

13 (2) contract payments described by Section 7932.153.

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

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

22 Sec. 7932.152. OPERATION AND MAINTENANCE TAX. (a) If  
23 authorized at an election held under Section 7932.151, the  
24 district may impose an operation and maintenance tax on taxable  
25 property in the district in accordance with Section 49.107,  
26 Water Code.

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

29 Sec. 7932.153. CONTRACT TAXES. (a) In accordance with  
30 Section 49.108, Water Code, the district may impose a tax other

1 than an operation and maintenance tax and use the revenue  
2 derived from the tax to make payments under a contract after the  
3 provisions of the contract have been approved by a majority of  
4 the district voters voting at an election held for that purpose.

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

8 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

9 Sec. 7932.201. AUTHORITY TO ISSUE BONDS AND OTHER  
10 OBLIGATIONS. The district may issue bonds or other obligations  
11 payable wholly or partly from ad valorem taxes, impact fees,  
12 revenue, contract payments, grants, or other district money, or  
13 any combination of those sources, to pay for any authorized  
14 district purpose.

15 Sec. 7932.202. TAXES FOR BONDS. At the time the district  
16 issues bonds payable wholly or partly from ad valorem taxes, the  
17 board shall provide for the annual imposition of a continuing  
18 direct ad valorem tax, without limit as to rate or amount, while  
19 all or part of the bonds are outstanding as required and in the  
20 manner provided by Sections 54.601 and 54.602, Water Code.

21 Sec. 7932.203. BONDS FOR ROAD PROJECTS. At the time of  
22 issuance, the total principal amount of bonds or other  
23 obligations issued or incurred to finance road projects and  
24 payable from ad valorem taxes may not exceed one-fourth of the  
25 assessed value of the real property in the district.

26 SECTION 4. The Montgomery County Municipal Utility  
27 District No. 152 initially includes all the territory contained  
28 in the following area:

29 A METES & BOUNDS description of a certain 695.3 acre tract  
30 of land situated in the Montgomery County School Land Survey,

1 Abstract No. 351, the T. F. Johnson Survey, Abstract No. 299 and  
2 the Timothy O'Neil Survey, Abstract No. 406 in Montgomery  
3 County, Texas, being comprised of a called 364.7 acre tract of  
4 land (First Tract) and a called 330.6 acre tract of land (Second  
5 Tract) conveyed to Bell Endeavors, Ltd. From Helen Hilliard  
6 Brame by Special Warranty Deed recorded in Clerk's File  
7 No. 2004-021196 of the Montgomery County Official Public Records  
8 of Real Property; said 695.3 acre tract being more particularly  
9 described in Two (2) Tracts as follows with all bearings being  
10 based on a call of South 51°30' West, along the common lines of  
11 the First and Second Tracts;

12 TRACT 1: 364.7 acres, more or less, of land, of which  
13 286.5 acres, more or less, lies in the Montgomery County School  
14 Land Survey, Abstract No. 350, 69.2 acres, more or less, lies in  
15 the Montgomery County School Land Survey, Abstract No. 351, 6.5  
16 acres, more or less, lies in the T. F. Johnson Survey, Abstract  
17 No. 299, and 2.5 acres, more or less, lies in the Timothy O'Neil  
18 Survey, Abstract No. 406, and being the same land as conveyed to  
19 Winnie Helen Hilliard by partition deed dated July 20, 1957,  
20 recorded in Volume 434, Page 441 of the Deed Records of  
21 Montgomery County, Texas; said 364.7 acres, more or less, of  
22 land being more particularly described as follows:

23 BEGINNING at the Southwest corner of the S. Richardson  
24 Survey, Abstract No. 460 and the Northwest corner of the T. F.  
25 Johnson Survey, the Eastern Southeast corner of the Montgomery  
26 County School Land Survey, Abstract No. 350, a Northeast intra  
27 corner of the Montgomery County School Land Survey, Abstract  
28 No. 351, and being Corner No. 1 hereof;

29 THENCE, S 00°30' W, 199.3 feet to Corner No. 2 hereof at  
30 the Southwest corner of the Blanche Bender tract of land;

1           THENCE, East, 746.4 feet to Corner No. 3 hereof and the  
2 Second Corner of Tract 2 hereof;

3           THENCE, S 51°30' W, 2738 feet to Corner No. 4 hereof and  
4 Corner No. 1 of said Tract Two hereof, also being in the  
5 Northern boundary line of a 660 acre tract as conveyed to  
6 Winnifred Bender Beaman by said partition deed recorded in  
7 Volume 434, Page 441 of said Deed Records, and also being the  
8 Southeast corner of the Doris Eugenia Vaughan tract as described  
9 in said partition deed;

10          THENCE, N 38°35' W, 6268.4 feet to Corner No. 5 hereof and  
11 the Northeast corner of said Doris Eugenia Vaughan tract in the  
12 center of the Scott-Herrin Road;

13          THENCE, N 47°30' E, 800.4 feet with said Road [Deed (Volume  
14 434, Page 441) call of N 46°40' E, 759.2 feet] to Corner No. 6  
15 hereof;

16          THENCE, N 70°06' E, 1110.0 feet continuing with said road  
17 [Deed (Volume 434, Page 441) call of N 68°55' E, 1110 feet] to  
18 its intersection with the old Bender Tram Line for Corner No. 7  
19 hereof;

20          THENCE, S 57°27' E, with said old Tram, 4397 feet [Deed  
21 (Volume 434, Page 441) call of S 57°12' E, 4397 feet] to Corner  
22 No. 8 hereof in the West boundary line of the S. Richardson  
23 Survey;

24          THENCE, S 01°12'39" W, 1549.45 feet [Deed (Clerk's File  
25 No. 2004-021196) call South 01°13' W, 1549.6 feet] along the  
26 West line of the S. Richardson Survey to the PLACE OF BEGINNING  
27 AND CONTAINING within these bounds 364.7 acres, more or less, of  
28 land.

29          TRACT 2: 330.6 acres, more or less, of land, of which 110.5  
30 acres, more or less, lies in the Montgomery County School Land

1 Survey, Abstract No. 351, and 220.1 acres, more or less, lies in  
2 the T. F. Johnson Survey, Abstract No. 299, and being the same  
3 land as conveyed to Winnie Helen Hilliard by deed dated August  
4 3, 1967, recorded in Volume 646, Page 935 of the Montgomery  
5 County Deed Records; said 330.6 acres, more or less, of land  
6 being more particularly described as follows:

7 BEGINNING at Corner No. 4 of the Tract 1 herein, and Corner  
8 No. 1 hereof;

9 THENCE, N 51°30' E, 2738.0 feet to a point for corner in  
10 the Southern boundary line of said Blanche Bender tract for  
11 Corner No. 2;

12 THENCE, East, 1009.6 feet with the Southern boundary line  
13 of said Blanche Bender tract to Corner No. 3 hereof on the  
14 Western edge of the Old Bender Tram Line;

15 THENCE, S 28°02' E, with said old Tram and/or road, 4024  
16 feet [Deed (Volume 434, Page 441) call of S 28°50' E, 3966.4  
17 feet] to Corner No. 4 hereof, on the Western side of said road,  
18 and being a most Eastern corner of the Doris E. Vaughan 330  
19 acres as described in a deed recorded in Volume 646, Page 933 of  
20 said Deed Records;

21 THENCE, S 52°43' W, 2797.2 feet, [Deed (Volume 434, Page  
22 441) call of S 53° W, 2797.2 feet] to Corner No. 5 hereof and  
23 being a re-entrant corner of the Doris E. Vaughan 330 acre  
24 tract;

25 THENCE, S 38°30'25" W, 4526.14 feet [Deed (Clerk's File  
26 No. 2004-021196) call N 38°30' W, 4525.7 feet] to the PLACE OF  
27 BEGINNING AND CONTAINING within these bounds 330.6 acres, more  
28 or less, of land for a total of 695.3 acres in Montgomery  
29 County, Texas."

30 (3) After renumbered SECTION 5 of the bill, insert the

1 following new SECTION 6 and renumber the subsequent section  
2 accordingly:

3 "SECTION 6. (a) If this Act does not receive a two-thirds  
4 vote of all the members elected to each house, Subchapter C,  
5 Chapter 7932, Special District Local Laws Code, as added by  
6 Section 3 of this Act, is amended by adding Section 7932.106 to  
7 read as follows:

8 Sec. 7932.106. NO EMINENT DOMAIN POWER. The district may  
9 not exercise the power of eminent domain.

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 28, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4154** by Bell (Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Passed 2nd House**

<p><b>No fiscal implication to the State is anticipated.</b></p>
--

**Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:**

**LBB Staff:** UP, KVe, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 22, 2015**

**TO:** Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4154** by Bell (Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **Committee Report 2nd House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
--

**Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:**

**LBB Staff:** UP, KVe, EK



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 14, 2015**

**TO:** Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4154** by Bell (Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:**

**LBB Staff:** UP, KVe, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 21, 2015**

**TO:** Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4154** by Bell (Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Introduced**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:**

**LBB Staff:** UP, KVe, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**WATER DEVELOPMENT POLICY IMPACT STATEMENT**

**84TH LEGISLATIVE REGULAR SESSION**

**April 21, 2015**

**TO:** Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4154** by Bell (Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d), as this bill does not create a conservation and reclamation district.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** UP, SZ