

1-1 By: Creighton S.B. No. 1118
 1-2 (In the Senate - Filed February 27, 2017; March 7, 2017,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; April 19, 2017, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; April 19, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Blaketree Municipal Utility
 1-18 District No. 2 of Montgomery County; granting a limited power of
 1-19 eminent domain; providing authority to issue bonds; providing
 1-20 authority to impose assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-23 Code, is amended by adding Chapter 7972 to read as follows:

1-24 CHAPTER 7972. BLAKETREE MUNICIPAL UTILITY DISTRICT NO. 2 OF
 1-25 MONTGOMERY COUNTY

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 7972.001. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "Commission" means the Texas Commission on
 1-30 Environmental Quality.

1-31 (3) "Director" means a board member.

1-32 (4) "District" means the Blaketree Municipal Utility
 1-33 District No. 2 of Montgomery County.

1-34 Sec. 7972.002. NATURE OF DISTRICT. The district is a
 1-35 municipal utility district created under Section 59, Article XVI,
 1-36 Texas Constitution.

1-37 Sec. 7972.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-38 REQUIRED. The temporary directors shall hold an election to
 1-39 confirm the creation of the district and to elect five permanent
 1-40 directors as provided by Section 49.102, Water Code.

1-41 Sec. 7972.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-42 temporary directors may not hold an election under Section 7972.003
 1-43 until each municipality in whose corporate limits or
 1-44 extraterritorial jurisdiction the district is located has
 1-45 consented by ordinance or resolution to the creation of the
 1-46 district and to the inclusion of land in the district.

1-47 Sec. 7972.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-48 (a) The district is created to serve a public purpose and benefit.

1-49 (b) The district is created to accomplish the purposes of:

1-50 (1) a municipal utility district as provided by
 1-51 general law and Section 59, Article XVI, Texas Constitution; and

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

1-56 Sec. 7972.006. INITIAL DISTRICT TERRITORY. (a) The
 1-57 district is initially composed of the territory described by
 1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of
 1-60 the Act enacting this chapter form a closure. A mistake made in the
 1-61 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:

2-2 (1) organization, existence, or validity;

2-3 (2) right to issue any type of bond for the purposes
2-4 for which the district is created or to pay the principal of and
2-5 interest on a bond;

2-6 (3) right to impose a tax; or

2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 7972.051. GOVERNING BODY; TERMS. (a) The district is
2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 7972.052, directors serve
2-12 staggered four-year terms.

2-13 Sec. 7972.052. TEMPORARY DIRECTORS. (a) On or after
2-14 September 1, 2017, the owner or owners of a majority of the assessed
2-15 value of the real property in the district may submit a petition to
2-16 the commission requesting that the commission appoint as temporary
2-17 directors the five persons named in the petition. The commission
2-18 shall appoint as temporary directors the five persons named in the
2-19 petition.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under
2-22 Section 7972.003; or

2-23 (2) September 1, 2021.

2-24 (c) If permanent directors have not been elected under
2-25 Section 7972.003 and the terms of the temporary directors have
2-26 expired, successor temporary directors shall be appointed or
2-27 reappointed as provided by Subsection (d) to serve terms that
2-28 expire on the earlier of:

2-29 (1) the date permanent directors are elected under
2-30 Section 7972.003; or

2-31 (2) the fourth anniversary of the date of the
2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a
2-34 majority of the assessed value of the real property in the district
2-35 may submit a petition to the commission requesting that the
2-36 commission appoint as successor temporary directors the five
2-37 persons named in the petition. The commission shall appoint as
2-38 successor temporary directors the five persons named in the
2-39 petition.

2-40 SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 7972.101. GENERAL POWERS AND DUTIES. The district has
2-42 the powers and duties necessary to accomplish the purposes for
2-43 which the district is created.

2-44 Sec. 7972.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-45 DUTIES. The district has the powers and duties provided by the
2-46 general law of this state, including Chapters 49 and 54, Water Code,
2-47 applicable to municipal utility districts created under Section 59,
2-48 Article XVI, Texas Constitution.

2-49 Sec. 7972.103. AUTHORITY FOR ROAD PROJECTS. Under Section
2-50 52, Article III, Texas Constitution, the district may design,
2-51 acquire, construct, finance, issue bonds for, improve, operate,
2-52 maintain, and convey to this state, a county, or a municipality for
2-53 operation and maintenance macadamized, graveled, or paved roads, or
2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 7972.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-56 road project must meet all applicable construction standards,
2-57 zoning and subdivision requirements, and regulations of each
2-58 municipality in whose corporate limits or extraterritorial
2-59 jurisdiction the road project is located.

2-60 (b) If a road project is not located in the corporate limits
2-61 or extraterritorial jurisdiction of a municipality, the road
2-62 project must meet all applicable construction standards,
2-63 subdivision requirements, and regulations of each county in which
2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the
2-66 Texas Transportation Commission must approve the plans and
2-67 specifications of the road project.

2-68 Sec. 7972.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
2-69 OR RESOLUTION. The district shall comply with all applicable

3-1 requirements of any ordinance or resolution that is adopted under
3-2 Section 54.016 or 54.0165, Water Code, and that consents to the
3-3 creation of the district or to the inclusion of land in the
3-4 district.

3-5 Sec. 7972.106. DIVISION OF DISTRICT. (a) The district may
3-6 be divided into two or more new districts only if the district:

3-7 (1) has no outstanding bonded debt; and

3-8 (2) is not imposing ad valorem taxes.

3-9 (b) This chapter applies to any new district created by the
3-10 division of the district, and a new district has all the powers and
3-11 duties of the district.

3-12 (c) Any new district created by the division of the district
3-13 may not, at the time the new district is created, contain any land
3-14 outside the area described by Section 2 of the Act enacting this
3-15 chapter.

3-16 (d) The board, on its own motion or on receipt of a petition
3-17 signed by the owner or owners of a majority of the assessed value of
3-18 the real property in the district, may adopt an order dividing the
3-19 district.

3-20 (e) The board may adopt an order dividing the district
3-21 before or after the date the board holds an election under Section
3-22 7972.003 to confirm the creation of the district.

3-23 (f) An order dividing the district shall:

3-24 (1) name each new district;

3-25 (2) include the metes and bounds description of the
3-26 territory of each new district;

3-27 (3) appoint temporary directors for each new district;

3-28 and

3-29 (4) provide for the division of assets and liabilities
3-30 between or among the new districts.

3-31 (g) On or before the 30th day after the date of adoption of
3-32 an order dividing the district, the district shall file the order
3-33 with the commission and record the order in the real property
3-34 records of each county in which the district is located.

3-35 (h) Any new district created by the division of the district
3-36 shall hold a confirmation and directors' election as required by
3-37 Section 7972.003.

3-38 (i) Any new district created by the division of the district
3-39 must hold an election as required by this chapter to obtain voter
3-40 approval before the district may impose a maintenance tax or issue
3-41 bonds payable wholly or partly from ad valorem taxes.

3-42 (j) Municipal consent to the creation of the district and to
3-43 the inclusion of land in the district granted under Section
3-44 7972.004 acts as municipal consent to the creation of any new
3-45 district created by the division of the district and to the
3-46 inclusion of land in the new district.

3-47 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-48 Sec. 7972.151. ELECTIONS REGARDING TAXES OR BONDS.

3-49 (a) The district may issue, without an election, bonds and other
3-50 obligations secured by:

3-51 (1) revenue other than ad valorem taxes; or

3-52 (2) contract payments described by Section 7972.153.

3-53 (b) The district must hold an election in the manner
3-54 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-55 before the district may impose an ad valorem tax or issue bonds
3-56 payable from ad valorem taxes.

3-57 (c) The district may not issue bonds payable from ad valorem
3-58 taxes to finance a road project unless the issuance is approved by a
3-59 vote of a two-thirds majority of the district voters voting at an
3-60 election held for that purpose.

3-61 Sec. 7972.152. OPERATION AND MAINTENANCE TAX. (a) If
3-62 authorized at an election held under Section 7972.151, the district
3-63 may impose an operation and maintenance tax on taxable property in
3-64 the district in accordance with Section 49.107, Water Code.

3-65 (b) The board shall determine the tax rate. The rate may not
3-66 exceed the rate approved at the election.

3-67 Sec. 7972.153. CONTRACT TAXES. (a) In accordance with
3-68 Section 49.108, Water Code, the district may impose a tax other than
3-69 an operation and maintenance tax and use the revenue derived from

4-1 the tax to make payments under a contract after the provisions of
4-2 the contract have been approved by a majority of the district voters
4-3 voting at an election held for that purpose.

4-4 (b) A contract approved by the district voters may contain a
4-5 provision stating that the contract may be modified or amended by
4-6 the board without further voter approval.

4-7 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-8 Sec. 7972.201. AUTHORITY TO ISSUE BONDS AND OTHER
4-9 OBLIGATIONS. The district may issue bonds or other obligations
4-10 payable wholly or partly from ad valorem taxes, impact fees,
4-11 revenue, contract payments, grants, or other district money, or any
4-12 combination of those sources, to pay for any authorized district
4-13 purpose.

4-14 Sec. 7972.202. TAXES FOR BONDS. At the time the district
4-15 issues bonds payable wholly or partly from ad valorem taxes, the
4-16 board shall provide for the annual imposition of a continuing
4-17 direct ad valorem tax, without limit as to rate or amount, while all
4-18 or part of the bonds are outstanding as required and in the manner
4-19 provided by Sections 54.601 and 54.602, Water Code.

4-20 Sec. 7972.203. BONDS FOR ROAD PROJECTS. At the time of
4-21 issuance, the total principal amount of bonds or other obligations
4-22 issued or incurred to finance road projects and payable from ad
4-23 valorem taxes may not exceed one-fourth of the assessed value of the
4-24 real property in the district.

4-25 SECTION 2. The Blaketree Municipal Utility District No. 2
4-26 of Montgomery County initially includes all the territory contained
4-27 in the following area:

4-28 A METES AND BOUNDS description of a certain 452.0 acre tract out of
4-29 the Noah Griffith Survey, Abstract No. 16, in Montgomery County,
4-30 Texas, being all of the remainder of a called 469.383 acre tract
4-31 (Parcel B) conveyed by Special Warranty Deed to Montgomery Land
4-32 Partners, LP, recorded in Document No. 201302469 of the Official
4-33 Public Records of Montgomery County (OPRMC); Said 452.0 acre tract
4-34 being more particularly described by metes and bounds as follows
4-35 with all bearings being based on the most southerly north line of
4-36 the Final Plat of Bluejack National Phase 1A having a record bearing
4-37 of South 88°24'00" West, recorded in Cabinet Z, Sheets 3074-3088,
4-38 File No. 2014-102281 of the Map Records of Montgomery County;

4-39 BEGINNING at a point-for-corner marking the northeast corner of
4-40 said 469.383 acre remainder tract being in the south right-of-way
4-41 of Moon Camp Road and the west right-of-way of Farm to Market
4-42 Highway 1486;

4-43 THENCE along said west right-of-way, being common with the easterly
4-44 lines of said 469.383 acre remainder tract, the following seven (7)
4-45 courses and distances:

4-46 1. South 03°45'09" East, 1051.73 feet to a point-for-corner
4-47 and the beginning of a curve to the right;

4-48 2. Along said curve to the right, having a radius of 1392.48
4-49 feet, an arc length of 886.26 feet, a delta angle of 36°28'00", a
4-50 chord bearing of South 14°28'51" West, and a chord length of 871.38
4-51 feet, to a point-for-corner marking a point of tangency;

4-52 3. South 32°42'51" West, 1622.60 feet to a point-for-corner;

4-53 4. North 57°17'09" West, 10.00 feet to a point-for-corner;

4-54 5. South 32°42'51" West, 539.35 feet to a point-for-corner
4-55 and the beginning of a curve to the left;

4-56 6. Along said curve to the left, having a radius of 1482.48
4-57 feet, an arc length of 910.29 feet, a delta angle of 35°10'53" a
4-58 chord bearing of South 15°07'24" West, and a chord length of 896.06
4-59 feet, to a point-for-corner marking a point of tangency;

4-60 7. South 02°28'07" East, 1569.03 feet to a point-for-corner
4-61 marking the southeast corner of said 469.383 acre remainder tract
4-62 being common with the most easterly northeast corner of
4-63 aforementioned Final Plat of Bluejack National Phase 1A and being
4-64 in the west right-of-way of Farm to Market Highway 1486;

4-65 THENCE along the common lines of said 469.383 acre remainder tract
4-66 and said Final Plat of Bluejack National Phase 1A the following
4-67 three (3) courses and distances;

4-68 1. South 87°09'29" West, 100.00 feet to a point-for-corner;

4-69 2. North 02°28'41" West, 15.33 feet to a point-for-corner;

5-1 3. South 88°24'00" West, 3329.69 feet to a point-for-corner
5-2 marking the southwest corner of said 469.383 acre remainder tract;
5-3 THENCE along the common lines of said 469.383 acre remainder tract
5-4 and a called 4.945 acre tract conveyed by Special Warranty Deed to
5-5 The Bluejack Company, LLC recorded in Document No. 2016004704 of
5-6 the OPRMC the following three (3) courses and distances:

5-7 1. North 04°32'32" West, 4187.74 feet to a point-for-corner;
5-8 2. North 35°33'45" West, 115.14 feet to a point-for-corner
5-9 marking the beginning of a curve to the left;

5-10 3. Along said curve to the left, having a radius of 50.00
5-11 feet, an arc length of 45.78 feet, a delta angle of 52°27'52", a
5-12 chord bearing of North 67°22'48" West, and a chord length of 44.20
5-13 feet, to a point-for-corner marking a point of tangency and a
5-14 northwesterly corner of said 469.383 acre remainder tract;

5-15 THENCE North 03°36'45" West, along a northwesterly line of said
5-16 469.383 acre remainder tract, 76.30 feet to a point-for-corner
5-17 marking the most westerly northwest corner of said 469.383 acre
5-18 remainder tract;

5-19 THENCE North 87°16'11" East, along a north line of said 469.383 acre
5-20 remainder tract, 4097.69 feet to a point-for-corner marking an
5-21 interior corner of said 469.383 acre remainder tract;

5-22 THENCE North 02°40'00" West, along the most easterly west line of
5-23 said 469.383 acre remainder tract, 1590.96 feet to a
5-24 point-for-corner marking a north corner of said 469.383 acre tract
5-25 and being in aforementioned south right-of-way of Moon Camp Road;

5-26 THENCE along said south right-of-way of Moon Camp Road the
5-27 following eleven (11) courses and distances:

- 5-28 1. South 69°50'32" East, 4.92 feet to a point-for-corner;
- 5-29 2. South 84°21'10" East, 56.74 feet to a point-for-corner;
- 5-30 3. South 76°21'23" East, 36.53 feet to a point-for-corner;
- 5-31 4. South 80°18'36" East, 198.79 feet to a point-for-corner;
- 5-32 5. South 89°14'26" East, 215.50 feet to a point-for-corner;
- 5-33 6. North 86°14'44" East, 129.06 feet to a point-for-corner;
- 5-34 7. North 76°08'26" East, 6.64 feet to a point-for-corner;
- 5-35 8. North 80°26'42" East, 8.20 feet to a point-for-corner;
- 5-36 9. North 86°14'58" East, 20.60 feet to a point-for-corner;
- 5-37 10. North 78°56'24" East, 79.34 feet to a point-for-corner;
- 5-38 11. North 80°26'42" East, 604.86 feet to the POINT OF

5-39 BEGINNING, CONTAINING 452.0 acres of land.

5-40 SECTION 3. (a) The legal notice of the intention to
5-41 introduce this Act, setting forth the general substance of this
5-42 Act, has been published as provided by law, and the notice and a
5-43 copy of this Act have been furnished to all persons, agencies,
5-44 officials, or entities to which they are required to be furnished
5-45 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-46 Government Code.

5-47 (b) The governor, one of the required recipients, has
5-48 submitted the notice and Act to the Texas Commission on
5-49 Environmental Quality.

5-50 (c) The Texas Commission on Environmental Quality has filed
5-51 its recommendations relating to this Act with the governor, the
5-52 lieutenant governor, and the speaker of the house of
5-53 representatives within the required time.

5-54 (d) All requirements of the constitution and laws of this
5-55 state and the rules and procedures of the legislature with respect
5-56 to the notice, introduction, and passage of this Act are fulfilled
5-57 and accomplished.

5-58 SECTION 4. (a) If this Act does not receive a two-thirds
5-59 vote of all the members elected to each house, Subchapter C, Chapter
5-60 7972, Special District Local Laws Code, as added by Section 1 of
5-61 this Act, is amended by adding Section 7972.107 to read as follows:

5-62 Sec. 7972.107. NO EMINENT DOMAIN POWER. The district may
5-63 not exercise the power of eminent domain.

5-64 (b) This section is not intended to be an expression of a
5-65 legislative interpretation of the requirements of Section 17(c),
5-66 Article I, Texas Constitution.

5-67 SECTION 5. This Act takes effect September 1, 2017.