By:  Bell of Montgomery H.B. No. 4678

     (Senate Sponsor - Creighton)

(In the Senate - Received from the House May 6, 2019; May 6, 2019, read first time and referred to Committee on Intergovernmental Relations; May 15, 2019, reported favorably by the following vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Lucio                X

Schwertner           X

Alvarado             X

Campbell             X

Fallon               X

Menéndez             X

Nichols              X

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 162; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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

SECTION 1.  Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8090 to read as follows:

CHAPTER 8090. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8090.0101.  DEFINITIONS. In this chapter:

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

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

(3)  "Director" means a board member.

(4)  "District" means the Montgomery County Municipal Utility District No. 162.

Sec. 8090.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8090.0103.  CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8090.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8090.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8090.0105.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 8090.0106.  INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1)  organization, existence, or validity;

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

(3)  right to impose a tax; or

(4)  legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8090.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b)  Except as provided by Section 8090.0202, directors serve staggered four-year terms.

Sec. 8090.0202.  TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b)  Temporary directors serve until the earlier of:

(1)  the date permanent directors are elected under Section 8090.0103; or

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

(c)  If permanent directors have not been elected under Section 8090.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Section 8090.0103; or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8090.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8090.0302.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8090.0303.  AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8090.0304.  ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 8090.0305.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8090.0306.  DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1)  has never issued any bonds; and

(2)  is not imposing ad valorem taxes.

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

(c)  A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

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

(e)  The board may adopt an order dividing the district before or after the date the board holds an election under Section 8090.0103 to confirm the district's creation.

(f)  An order dividing the district shall:

(1)  name each new district;

(2)  include the metes and bounds description of the territory of each new district;

(3)  appoint temporary directors for each new district; and

(4)  provide for the division of assets and liabilities between the new districts.

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

(h)  A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8090.0103.

(i)  If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

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

(k)  Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8090.0104 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8090.0401.  ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1)  revenue other than ad valorem taxes; or

(2)  contract payments described by Section 8090.0403.

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

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

Sec. 8090.0402.  OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8090.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 8090.0403.  CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8090.0501.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8090.0502.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8090.0503.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2.  The Montgomery County Municipal Utility District No. 162 initially includes all the territory contained in the following area:

A description of a 1193 acre tract of land, located in the Alfonzo Steel Survey, Abstract 477, the John Bricker Survey, Abstract 98, the Gowan Harris Survey, Abstract 246, and the Lemuel Smith Survey, Abstract 502, in Montgomery County, Texas; out of the 1,835.060 acre tract of land referenced as Tract III, Parcel 2, and out of the 191.470 acre tract of land referenced as Tract II, Parcel 1 described in the deed recorded under Document Number 2018042236 of the Official Public Records of Montgomery County, Texas and more particularly described as follows (all bearings based on the said 2018042236 deed):

BEGINNING at the north corner of the Tract III, Parcel 2;

THENCE South 30° 24' 00" East - 4321.40', along the northeast line of said Tract III, Parcel 2, to a northeasterly corner of said Tract III, Parcel 2, in the northeast line of aforesaid Alfonzo Steel Survey;

THENCE North 58° 58' 21" East - 1919.72', along the north line of Tract III, Parcel 2, partially along the northwest line of said Alfonzo Steel Survey, to the intersection of said north line and the west right-of-way line of FM 1314 (Conroe Porter Road);

THENCE South 48° 01' 22" East - 2965.58', along said west right-of-way line, and the east line of said Tract III, Parcel 2, to the beginning of a tangent curve to the right;

THENCE, 1150.34', along said common line, along said curve to the right, having a radius of 1859.86', a central angle of 35° 26' 17", and a chord bearing and distance of South 30° 18' 14" East - 1132.09', to the end of curve;

THENCE South 12° 33' 22" East - 34.59', along aforesaid west right-of-way line, the east line of Tract III, Parcel 2 and the east line of Tract 2, Parcel 1, to a point for corner;

THENCE South 12° 31' 04" East - 2420.93', continuing along said west right-of-way line, and the east line of said Tract 2, Parcel 1, to a point for corner;

THENCE South 11° 00' 27" East - 587.98', continuing along said common line, to a point which is three hundred feet north of the north right-of-way line of State Highway 242 (Lazy River Road);

THENCE, along a line three-hundred feet (300') north of and parallel with said north right-of-way line, the following twenty-three (23) courses and distances:

South 67° 55' 52" West - 25.80' to a point for corner;

South 70° 12' 35" West - 881.55' to the beginning of a tangent curve to the right;

1655.03', along said curve to the right, having a radius of 2565.25', a central angle of 36° 57' 57", and a chord bearing and distance of South 88° 37' 40" West - 1626.48', to the end of curve;

North 72° 50' 13" West - 1053.14' to a point for corner;

North 69° 00' 59" West - 298.93' to a point for corner;

North 72° 47' 05" West - 126.31' to a point for corner;

North 78° 40' 07" West - 99.48' to a point for corner;

North 72° 47' 17" West - 183.43' to a point for corner;

North 71° 52' 08" West - 300.26' to a point for corner;

North 72° 59' 03" West - 110.05' to a point for corner;

North 75° 32' 57" West - 99.73' to a point for corner;

North 73° 01' 36" West - 504.90' to a point for corner;

North 72° 53' 37" West - 601.51' to a point for corner;

North 78° 36'15" West - 100.50' to a point for corner;

North 72° 53' 37" West - 299.32' to the point of beginning of a curve to the left;

282.46', along said curve to the left, having a radius of 3254.79', a central angle of 04° 58' 20", and a chord bearing and distance of North 75° 22' 47" West - 282.37', to the end of curve;

North 75° 22' 06" West - 579.39' to a point for corner;

South 81° 54' 27" West - 807.27' to a point for corner;

South 76° 44' 39" West - 451.13' to a point for corner;

South 69° 22' 36" West - 435.97' to a point for corner;

South 66° 28' 20" West - 315.10' to a point for corner;

South 63° 36' 35" West - 300.37' to a point for corner;

South 66° 28' 20" West - 320.29' to a point for corner;

THENCE North 15° 49' 15" West - 1921.98' to a point for corner;

THENCE North 59° 25' 43" East - 1902.10' to a point for corner;

THENCE North 30° 26' 27" West - 2772.87' to a point for corner in the north line of the aforesaid Tract III, Parcel 2;

THENCE North 58° 50' 47" East - 757.22', continuing along said north line, to a point for corner;

THENCE North 30° 28' 06" West - 1535.32', continuing along said north line to a point for corner;

THENCE North 59° 28' 54" East - 3005.35', continuing along said north line to the POINT OF BEGINNING, for a gross acreage of 1195 acres.

Save and Except the following description quoted from the deed recorded under Film Code Number 2000024269 of the Real Property Records of Montgomery County, Texas (bearings have been rotated to aforesaid 2018042236 deed bearing):

ALL THAT TRACT OR PARCEL OF LAND situated in Montgomery County, Texas out of the Gowan Harris Survey A-246 and being a portion of the tract of land called 1,117.77 acres and designated as T85M1 as described in a deed from Champion International Corporation to Champion Realty Corporation (Florida) dated November 8, 1985 and recorded in Montgomery County Clerk File No. 8550943 of the Real Property Records of Montgomery County, Texas said 1.580 acre tract being more particularly described as follows;

BEGINNING at a set 1/2" iron pin for the North corner in the division line between the Gowan Harris Survey A-246 and the Alfonso Stiel Survey A-477, also the Northwest line of the 1,117.77 acre tract, a set 1/2" iron pin the Southeast line of the Stiel Survey at a common corner between the Harris Survey and John Bricker Survey A-98, also the North corner of the 1,117.77 acre tract, lies N 59° 28' 47" E, 466.69 ft. from this point;

THENCE departing said division line with Northeast line of this tract, S 30° 34' 17" E, 220.28 ft. to a set 1/2" iron pin for East corner;

THENCE with the Southeast line of this tract, S 59° 28' 47" W, 312.46 ft. to a set 1/2" iron pin for South corner;

THENCE with the Southwest line of this tract, N 30° 34' 17" W, 220.28 ft. to a set 1/2" iron pin in the division line between the Stiel and Harris Surveys for West corner;

THENCE with said division line, also the Northwest Line of said 1,117.77 acre tract and the tract herein described, N 59° 28' 47" E, 312.46 ft. to the PLACE OF BEGINNING and containing 1.580 acres of land.

For a net acreage of 1193 acres.

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

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

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

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

SECTION 4.  (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8090, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8090.0307 to read as follows:

Sec. 8090.0307.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

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