By:  Creighton S.B. No. 2464

(In the Senate - Filed March 26, 2019; March 27, 2019, read first time and referred to Committee on Intergovernmental Relations; April 23, 2019, reported favorably by the following vote: Yeas 6, Nays 0; April 23, 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. 163; 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 8091 to read as follows:

CHAPTER 8091. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8091.0101.  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. 163.

Sec. 8091.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8091.0103.  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. 8091.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8091.0103 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. 8091.0105.  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. 8091.0106.  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. 8091.0201.  GOVERNING BODY; TERMS. (a)  The district is governed by a board of five elected directors.

(b)  Except as provided by Section 8091.0202, directors serve staggered four-year terms.

Sec. 8091.0202.  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 8091.0103; 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 8091.0103 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 8091.0103; 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. 8091.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8091.0302.  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. 8091.0303.  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. 8091.0304.  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. 8091.0305.  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. 8091.0306.  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 8091.0103 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 8091.0103.

(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 8091.0104 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. 8091.0401.  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 8091.0403.

(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. 8091.0402.  OPERATION AND MAINTENANCE TAX. (a)  If authorized at an election held under Section 8091.0401, 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. 8091.0403.  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. 8091.0501.  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. 8091.0502.  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. 8091.0503.  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. 163 initially includes all the territory contained in the following area:

A description of a 1229 acre tract of land, located in the Alfonzo Steel Survey, Abstract 477, the T. & N.O. Railroad Company, Section 4 Survey, Abstract 741, and the John Bricker Survey, Abstract 98, in Montgomery County, Texas; out of the 273.466 acre tract of land referenced as Tract III, Parcel 1, out of the 195. 961 acre tract of land referenced as Tract 2, Parcel 2, out the 90.860 acre tract referenced as Tract 2, Parcel 3, and out of that 648.855 acre tract describes as Tract I as described in the deed recorded under Document Number 2018042236 of the Official Public Records of Montgomery County, Texas and more particularly described as follows:

BEGINNING at the northeast corner of said Tract I, and the northeast corner of T. & N.O. Railroad Company, Section 4 Survey;

THENCE South 00° 06' 00" West - 4845.80', along the east line of said Tract I, and the east line of said T. & N.O. Railroad Company, Section 4 Survey, to the southeast corner of said Tract I, and the southeast corner of said T. & N.O. Railroad Company, Section 4 Survey;

THENCE North 89° 57' 02" West - 5148.33', along the south line of said tract I and the south line of said T. & N.O. Railroad Company, Section 4 Survey, to the southwest corner of said Tract I, and the southwest corner of said T. & N.O. RR. CO. Section 4 Survey, in the east line of aforesaid Tract 2, Parcel 2, and the east line of aforesaid John Bricker Survey;

THENCE South 30° 09' 50" East - 826.43', along the east line of aforesaid Tract 2, Parcel 2, and along the east line of said John Bricker Survey, to a southeast corner of said Tract 2, Parcel 2, and a southeast corner of the John Bricker Survey, lying in the north right-of-way line of State Highway 242;

THENCE South 30° 34' 35" East - 220.69', continuing along said northeast line of said John Bricker Survey to a point for corner in the south right-of-way line of said State Highway 242, in the north line of said Tract 2, Parcel 3;

THENCE South 30° 15' 03" East - 688.49', along the northeast line of said Tract 2, Parcel 3, and along the northeast line of said John Bricker Survey, to the east corner of said Tract 2, Parcel 3, and the southeast corner of said John Bricker Survey;

THENCE South 59° 13' 35" West - 3060.96', along the southeast line of said Tract 2, Parcel 3 and the southeast line of said John Bricker Survey, to the intersection of said southeast lines, and the east right-of-way line of FM 1314 (Conroe Porter Road), being the south corner of said Tract 2, Parcel 3;

THENCE North 24° 51' 16" West - 778.41', along said east right-of-way line, and the west line of Tract 2, Parcel 3 to a point for corner;

THENCE, North 22° 10' 36" West - 597.39', continuing along said common line, to a point for corner;

THENCE, North 19° 50' 32" West - 241.38', continuing along said common line, to at the south end of the southeasterly cutback corner, and the northwest corner of aforesaid Tract 2, Parcel 3, at the intersection of the aforesaid east right of way line of FM 1314 (Conroe Porter Road) and the south line of State Highway 242;

THENCE, North 16° 50' 19" West - 538.64', continuing along said east right-of-way line, to the north end of the northeasterly cutback corner of the said intersection, and the south corner of aforesaid Tract 2, Parcel 2, at the intersection of the aforesaid east right of way line of FM 1314 (Conroe Porter Road) and the south line of State Highway 242;

THENCE, North 23° 14' 55" West - 200.33', continuing along said east right-of-way line, and the west line of aforesaid Tract 2, Parcel 2 to a point for corner;

THENCE, North 13° 30' 38" West - 995.85', continuing along said common line, to a point for corner;

THENCE, North 12° 01' 58" West - 2102.94', continuing along said common line, to a point for corner;

THENCE North 12° 33' 22" West - 1.21', along the aforesaid east right of way line, and aforesaid west line of Tract 2, Parcel 2, and the aforesaid west line of Tract III, Parcel 1, to the point of beginning of curve to the left;

THENCE, 1212.26', continuing along said east right-of-way line, and the west line of said Tract III, Parcel 1 along said curve to the left, having a radius of 1959.86', a central angle of 35° 26' 24", and a chord bearing and distance of North 30° 16' 34" West - 1193.03', to the end of curve;

THENCE North 48° 01' 22" West - 2935.99', continuing along said common line, to the intersection of said common line, and the north line of the Alfonzo Steel Survey, being the northwest corner of said Tract III, Parcel 1;

THENCE, North 58° 58' 24" East - 3695.00', along said north line to the north corner of said Tract III, Parcel 1, being the most northerly west corner of the 178 acre tract of land described in the deed recorded under Volume 20, Page 612 of the Deed Records of Montgomery County, Texas;

THENCE South 30° 57' 11" East - 3592.37', along the east line of said Tract III Parcel 1 and the southwest line of said 178 acre tract, to an interior corner of said 178 acre tract;

THENCE South 59° 02' 57" West - 1387.45', along the south line of said Tract III, Parcel 1 and the north line of said 178 acre tract, to the most southerly west corner of said 178 acre tract;

THENCE South 30° 43' 40" East - 411.55', along a southwest line of said 178 acre tract, to the south corner of said 178 acre tract, in the south line of aforesaid Alfonzo Steel Survey, common to a northwest line of aforesaid T. & N.O. Railroad Company, Section 4 Survey;

THENCE North 59° 36' 50" East - 3196.12', along said northwest line, the northwest line of Tract 2, Parcel 2, the northwest line of aforementioned Tract I, the southeast line of said Alfonzo Steel Survey, and the southeast line of said 178 acre tract, to an interior corner of said T. & N.O. Railroad Company, Section 4 Survey, common to the east corner of said Alfonzo Steel Survey, and the east corner of said 178 acre tract;

THENCE North 30° 28' 49" West - 375.00', along the northwest line of said Tract I, northwest line of said T. & N.O. Railroad Company, Section 4 Survey, the northeast line of said Alfonzo Steel Survey, and the northeast line of said 178 acre tract, to the most northerly northwest corner of said Tract I and T. & N.O. Railroad Company, Section 4 Survey;

THENCE North 89° 56' 58" East - 4636.24, along the north line of said Tract I and T. & N.O. Railroad Company, Section 4 Survey, to the POINT OF BEGINNING and containing 1229 acres of land, more or less.

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 8091, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8091.0307 to read as follows:

Sec. 8091.0307.  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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