

By: Metcalf

H.B. No. 2077

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the City of Conroe Municipal Management  
3 District No. 3; providing authority to issue bonds and impose  
4 assessments, fees, and 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 3964 to read as follows:

8 CHAPTER 3964. CITY OF CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 3

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3964.0101. DEFINITIONS. In this chapter:

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

12 (2) "City" means the City of Conroe, Texas.

13 (3) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (4) "Director" means a board member.

16 (5) "District" means the City of Conroe Municipal  
17 Management District No. 3.

18 Sec. 3964.0102. CREATION AND NATURE OF DISTRICT. The  
19 district is a special district created under Sections 52 and 52-a,  
20 Article III, and Section 59, Article XVI, Texas Constitution.

21 Sec. 3964.0103. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
22 creation of the district is essential to accomplish the purposes of  
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
24 Texas Constitution, and other public purposes stated in this

1 chapter. By creating the district and in authorizing the city and  
2 other political subdivisions to contract with the district, the  
3 legislature has established a program to accomplish the public  
4 purposes set out in Section 52-a, Article III, Texas Constitution.

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

10 (c) This chapter and the creation of the district may not be  
11 interpreted to relieve the city from providing the level of  
12 services provided to the area in the district as of the effective  
13 date of the Act enacting this chapter. The district is created to  
14 supplement and not to supplant the city services provided in the  
15 district.

16 Sec. 3964.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

17 (a) The district is created to serve a public use and benefit.

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

23 (c) The district is created to accomplish the purposes of a  
24 municipal management district as provided by general law and  
25 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
26 Texas Constitution.

27 (d) The creation of the district is in the public interest

1 and is essential to:

2 (1) further the public purposes of developing and  
3 diversifying the economy of the state;

4 (2) eliminate unemployment and underemployment;

5 (3) develop or expand transportation and commerce; and

6 (4) provide quality residential housing.

7 (e) The district will:

8 (1) promote the health, safety, and general welfare of  
9 residents, employers, potential employees, employees, visitors,  
10 and consumers in the district, and of the public;

11 (2) provide needed funding for the district to  
12 preserve, maintain, and enhance the economic health and vitality of  
13 the district territory as a community and business center;

14 (3) promote the health, safety, welfare, and enjoyment  
15 of the public by providing pedestrian ways and by landscaping and  
16 developing certain areas in the district, which are necessary for  
17 the restoration, preservation, and enhancement of scenic beauty;  
18 and

19 (4) provide for water, wastewater, drainage, road, and  
20 recreational facilities for the district.

21 (f) Pedestrian ways along or across a street, whether at  
22 grade or above or below the surface, and street lighting, street  
23 landscaping, parking, and street art objects are parts of and  
24 necessary components of a street and are considered to be a street  
25 or road improvement.

26 (g) The district will not act as the agent or  
27 instrumentality of any private interest even though the district

1 will benefit many private interests as well as the public.

2 Sec. 3964.0105. DISTRICT TERRITORY. (a) The district is  
3 composed of the territory described by Section 2 of the Act enacting  
4 this chapter, as that territory may have been modified under other  
5 law.

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

10 (1) organization, existence, or validity;

11 (2) right to contract;

12 (3) authority to borrow money or issue bonds or other  
13 obligations or to pay the principal and interest of the bonds or  
14 other obligations;

15 (4) right to impose or collect an assessment, or  
16 collect other revenue; or

17 (5) legality or operation.

18 Sec. 3964.0106. APPLICABILITY OF MUNICIPAL MANAGEMENT  
19 DISTRICTS LAW. Except as otherwise provided by this chapter,  
20 Chapter 375, Local Government Code, applies to the district.

21 Sec. 3964.0107. CONSTRUCTION OF CHAPTER. This chapter  
22 shall be liberally construed in conformity with the findings and  
23 purposes stated in this chapter.

24 Sec. 3964.0108. CONFLICTS OF LAW. This chapter prevails  
25 over any provision of Chapter 375, Local Government Code, that is in  
26 conflict or inconsistent with this chapter.

27 Sec. 3964.0109. CONSENT OF MUNICIPALITY REQUIRED. The

1 board may not hold an election to authorize the issuance of bonds  
2 until the governing body of the city by ordinance or resolution  
3 consents to the creation of the district and to the inclusion of  
4 land in the district. The city's consent must be granted in the  
5 manner provided by Section 54.016, Water Code, for including land  
6 within the corporate limits or extraterritorial jurisdiction of a  
7 city.

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 3964.0201. GOVERNING BODY; TERMS. The district is  
10 governed by a board of five directors appointed by the commission  
11 who serve staggered terms of four years, with two or three  
12 directors' terms expiring June 1 of each even-numbered year.

13 Sec. 3964.0202. APPOINTMENT BY COMMISSION. (a) Before the  
14 term of a director expires, the board shall recommend to the  
15 commission a person to serve as a successor director. The  
16 commission shall appoint as director the person recommended by the  
17 board.

18 (b) A person recommended by the board under Subsection (a)  
19 must be:

20 (1) at least 18 years of age;  
21 (2) an owner of property in the district;  
22 (3) an owner of stock, whether beneficial or  
23 otherwise, of a corporate owner of property in the district;

24 (4) an owner of a beneficial interest in a trust that  
25 owns property in the district; or

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

1       Sec. 3964.0203. VACANCY. If a vacancy occurs on the board,  
2 the remaining directors shall appoint a director for the remainder  
3 of the unexpired term.

4       Sec. 3964.0204. COMPENSATION; EXPENSES. (a) The district  
5 may compensate each director in an amount not to exceed \$150 for  
6 each board meeting. The total amount of compensation a director may  
7 receive each year may not exceed \$7,200.

8       (b) A director is entitled to reimbursement for necessary  
9 and reasonable expenses incurred in carrying out the duties and  
10 responsibilities of the board.

11       Sec. 3964.0205. INITIAL DIRECTORS. (a) On or after the  
12 effective date of the Act enacting this chapter, the owner or owners  
13 of a majority of the assessed value of the real property in the  
14 district according to the most recent certified tax appraisal rolls  
15 for the county may submit a petition to the commission requesting  
16 that the commission appoint as initial directors five persons named  
17 in the petition. The commission shall appoint as initial directors  
18 the persons named in the petition.

19       (b) The initial directors shall determine by lot which three  
20 positions expire June 1, 2022, and which two positions expire June  
21 1, 2020.

22       (c) This section expires September 1, 2023.

23                   SUBCHAPTER C. POWERS AND DUTIES

24       Sec. 3964.0301. GENERAL POWERS AND DUTIES. The district  
25 has the powers and duties necessary to accomplish the purposes for  
26 which the district is created.

27       Sec. 3964.0302. IMPROVEMENT PROJECTS AND SERVICES. The

1 district may provide, design, construct, acquire, improve,  
2 relocate, operate, maintain, or finance an improvement project or  
3 service using money available to the district for the purpose, or  
4 contract with a governmental or private entity to provide, design,  
5 construct, acquire, improve, relocate, operate, maintain, or  
6 finance an improvement project or service authorized under this  
7 chapter or Chapter 375, Local Government Code.

8 Sec. 3964.0303. LOCATION OF IMPROVEMENT PROJECT. A  
9 district improvement project may be located inside or outside of  
10 the district.

11 Sec. 3964.0304. NO EMINENT DOMAIN. The district may not  
12 exercise the power of eminent domain.

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 3964.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
15 board by resolution shall establish the number of directors'  
16 signatures and the procedure required for a disbursement or  
17 transfer of the district's money.

18 Sec. 3964.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
19 The district may acquire, construct, or finance an improvement  
20 project or service authorized by this chapter or Chapter 375, Local  
21 Government Code, using any money available to the district for that  
22 purpose.

23 SUBCHAPTER E. TAXES AND BONDS

24 Sec. 3964.0501. OPERATION AND MAINTENANCE TAX. The  
25 district may impose an operation and maintenance tax on taxable  
26 property in the district for any district purpose in the manner  
27 provided by Section 49.107, Water Code, if authorized by a majority

1 of the district voters voting at an election under that section,  
2 including for:

- 3 (1) maintaining and operating the district;  
4 (2) constructing or acquiring improvements; or  
5 (3) providing a service.

6 Sec. 3964.0502. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
7 the time bonds or other obligations payable wholly or partly from ad  
8 valorem taxes are issued:

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

12 (2) the board annually shall impose an ad valorem tax  
13 on all taxable property in the district in an amount sufficient to:

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

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

19 SECTION 2. The City of Conroe Municipal Management District  
20 No. 3 initially includes all the territory contained in the  
21 following area:

22 A METES & BOUNDS description of a certain 191.97 acre  
23 (8,362,413 square feet) tract of land situated in the Mary Corner  
24 Survey, Abstract No. 9, James Smith Survey, Abstract No. 37, and  
25 the James W. Singleton Survey, Abstract No. 496 in Montgomery  
26 County, Texas, being all of a called 49.840 acre tract conveyed to  
27 Muse 128, L.P. by General Warranty Deed recorded in Clerk's File



1 No. 2018026027, Montgomery County Official Public Records of Real  
2 Property, being all of a called 14.6529 acre tract conveyed to Muse  
3 128, L.P. by General Warranty Deed recorded in Clerk's File  
4 No. 2018040787, Montgomery County Official Public Records of Real  
5 Property, and being all of a called 127.440 acre tract conveyed to  
6 Muse 128, L.P. by General Warranty Deed recorded in Clerk's File  
7 No. 2018011371, Montgomery County Official Public Records of Real  
8 Property; said 191.97 acre (8,362,413 square feet) tract of land  
9 being more particularly described as follows with all bearings  
10 being based on the Texas Coordinate System, Central Zone, NAD 83:

11 BEGINNING at a point being the northwest corner of a called  
12 26.732 acre tract conveyed to McClanahan Storage 105, Inc. by  
13 General Warranty Deed recorded in Clerk's File No. 2014050308,  
14 Montgomery County Official Public Records of Real Property, being  
15 the northeast corner of said called 127.440 acre tract, being in the  
16 south right-of-way of State Highway 105 (width varies), and being  
17 the most northerly northeast corner of the herein described tract,  
18 from which a 5/8-inch iron rod found bears South 81°46'43" East,  
19 3.05 feet;

20 THENCE, South 04°06'28" East, 2,445.72 feet to a 5/8-inch iron  
21 rod (with cap stamped "Manhard") set being the southwest corner of a  
22 called 1.433 acre tract conveyed to McClanahan Development, LLC by  
23 Warranty Deed recorded in Clerk's File No. 2017069964, Montgomery  
24 County Official Public Records of Real Property, being in the east  
25 line of said called 127.440 acre tract, and being an interior corner  
26 of the herein described tract;

27 THENCE, North 86°29'21" East, 1,353.75 feet to a 5/8-inch iron

1 rod (with cap stamped "Manhard") set being the southeast corner of a  
2 called Unrestricted Reserve "H" of Poplar Business Park Section 1  
3 recorded in Cabinet Z, Sheet 2679, Montgomery County Map Records,  
4 being the northeast corner of said called 14.6529 acre tract, being  
5 in the west right-of-way of Old Highway 105 (based on a width of 60  
6 feet), and being the most easterly northeast corner of the herein  
7 described tract;

8         THENCE, South 04°00'56" East, 388.46 feet to a 3/8-inch iron  
9 rod found being in the east line of said called 14.6529 acre tract,  
10 being in the west right-of-way of said Old Highway 105, and being  
11 the most easterly corner of the herein described tract;

12         THENCE, North 79°51'51" West, 16.98 feet to a 1-inch iron pipe  
13 found being in the east line of said called 14.6529 acre tract,  
14 being in the west right-of-way of said Old Highway 105, and being an  
15 interior angle point of the herein described tract;

16         THENCE, South 03°57'24" East, 88.24 feet to a 1-inch iron pipe  
17 found being the northeast corner of a called 4.9474 acre tract  
18 conveyed to Susan Rose Korthauer by Warranty Deed recorded in  
19 Clerk's File No. 2008056538, Montgomery County Official Public  
20 Records of Real Property, being the southeast corner of said called  
21 14.6529 acre tract, being in the west right-of-way of Northshore  
22 Drive (based on a width of 60 feet), and being the most northerly  
23 southeast corner of the herein described tract;

24         THENCE, South 86°29'21" West, 1,336.43 feet to a 1-inch iron  
25 pipe found being in the north line of a called 1.500 acre tract  
26 conveyed to Brittany Lee Brandt by General Warranty Deed with  
27 Vendor's Lien in Favor of Third Party recorded in Clerk's File

1 No. 2011024870, Montgomery County Official Public Records of Real  
2 Property, being the southwest corner of said called 14.6529 acre  
3 tract, being the southeast corner of said called 127.440 acre  
4 tract, and being an angle point of the herein described tract;

5       THENCE, South 86°27'31" West, 381.94 feet to a 5/8-inch iron  
6 rod (with cap stamped "Manhard") set being the northwest corner of  
7 said called 1.500 acre tract, being in the south line of said called  
8 127.440 acre tract, being the northeast corner of said called  
9 49.840 acre tract, and being an interior angle point of the herein  
10 described tract;

11       THENCE, South 03°30'30" East, 1,667.47 feet to a 5/8-inch iron  
12 rod (with cap stamped "Manhard") set being the southeast corner of  
13 said called 49.840 acre tract, being in the northwest right-of-way  
14 of said Northshore Drive, and being the most southerly southeast  
15 corner of the herein described tract;

16       THENCE, South 86°29'30" West, 1,301.26 feet to a 5/8-inch iron  
17 rod (with cap stamped "Manhard") set being in the north line of the  
18 remainder of a called 47.596 acre tract conveyed to Jan Stuart  
19 Oostermeyer and Dale Grove Oostermeyer by General Warranty Deed  
20 with Vendor's Lien recorded in Volume 925, Page 587, Montgomery  
21 County Deed Records, being the southwest corner of said called  
22 49.840 acre tract, and being the most southerly southwest corner of  
23 the herein described tract;

24       THENCE, North 03°41'39" West, 1,664.90 feet to a 5/8-inch iron  
25 rod (with cap stamped "Manhard") set being the northeast corner of a  
26 called 4.97 acre tract conveyed to Mark Speight and Blanca Speight  
27 by Warranty Deed with Vendor's Lien recorded in Clerk's File

1 No. 2015112241, Montgomery County Official Public Records of Real  
2 Property, being the northwest corner of said called 49.840 acre  
3 tract, being in the south line of said called 127.440 acre tract,  
4 and being an interior angle point of the herein described tract;

5       THENCE, South 86°15'04" West, 1,095.59 feet to a 5/8-inch iron  
6 rod (with cap) found being the northwest corner of a called 2.474  
7 acre tract conveyed to Richard H. Hansen and Kristine M. Hansen by  
8 Texas General Warranty Deed with Vendor's Lien recorded in Clerk's  
9 File No. 2017046810, Montgomery County Official Public Records of  
10 Real Property, being the southwest corner of said called 127.440  
11 acre tract, being in the east right-of-way of McCaleb Road (width  
12 varies), being the most northerly southwest corner of the herein  
13 described tract, and being the beginning of a non-tangent curve to  
14 the left;

15       THENCE, along said non-tangent curve to the left having a  
16 radius of 4,431.68 feet, an arc length of 116.13 feet, and a long  
17 chord bearing North 02°15'40" West, 116.13 feet to a 5/8-inch iron  
18 rod (with cap) found being in the west line of said called 127.440  
19 acre tract and being in the east right-of-way of said McCaleb Road;

20       THENCE, North 03°00'42" West, 1,081.87 feet to a 5/8-inch iron  
21 rod (with cap stamped "Manhard") set being in the south line of a  
22 called 2.066 acre tract conveyed to Lake South Water Supply  
23 Corporation by Warranty Deed recorded in Clerk's File  
24 No. 2005-104064, Montgomery County Official Public Records of Real  
25 Property, being the most westerly corner of said called 127.440  
26 acre tract, being in the east right-of-way of said McCaleb Road, and  
27 being the most westerly corner of the herein described tract;

1           THENCE, North 87°04'28" East, 1,599.20 feet to a 5/8-inch iron  
2 rod found being the southeast corner of a called 60.63 acre tract  
3 conveyed to GAM Enterprises, Inc. by Warranty Deed recorded in  
4 Clerk's File No. 2011029722, Montgomery County Official Public  
5 Records of Real Property, being an interior corner of said called  
6 127.440 acre tract, and being an interior corner of the herein  
7 described tract;

8           THENCE, North 02°58'33" West, 2,248.07 feet to a 5/8-inch iron  
9 rod found being the northeast corner of a called Restricted Reserve  
10 "A" of Lake Conroe Business Park Section 4 recorded in Cabinet M,  
11 Sheet 163, Montgomery County Map Records, being the most northerly  
12 corner of said 127.440 acre tract, being in the south right-of-way  
13 of said State Highway 105, and being the most northerly corner of  
14 the herein described tract;

15           THENCE, South 70°13'10" East, 493.12 feet to a Texas  
16 Department of Transportation brass disk in concrete found being in  
17 the north line of said 127.440 acre tract, being in the south  
18 right-of-way of said State Highway 105, and being an angle point of  
19 the herein described tract;

20           THENCE, South 55°13'24" East, 77.29 feet to a 5/8-inch iron  
21 rod (with cap stamped "Manhard") set being in the north line of said  
22 127.440 acre tract, being in the south right-of-way of said State  
23 Highway 105, and being an angle point of the herein described tract;

24           THENCE South 70°16'14" East, 661.82 feet to the POINT OF  
25 BEGINNING, CONTAINING 191.97 acres (8,362,413 square feet) of land  
26 in Montgomery County, Texas filed in the office of Manhard  
27 Consulting, Ltd. in The Woodlands, Texas.

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

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

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

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

19           SECTION 4. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2019.