By: Bell of Montgomery

H.B. No. 3047

	A BILL TO BE ENTITLED
1	AN ACT
2	relating to the creation of the Montgomery County Municipal Utility
3	District No. 167; granting a limited power of eminent domain;
4	providing authority to issue bonds; providing authority to impose
5	assessments, fees, and taxes.
6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
7	SECTION 1. Subtitle F, Title 6, Special District Local Laws
8	Code, is amended by adding Chapter 8065 to read as follows:
9	CHAPTER 8065. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 167
10	SUBCHAPTER A. GENERAL PROVISIONS
11	Sec. 8065.0101. DEFINITIONS. In this chapter:
12	(1) "Board" means the district's board of directors.
13	(2) "Commission" means the Texas Commission on
14	Environmental Quality.
15	(3) "Director" means a board member.
16	(4) "District" means the Montgomery County Municipal
17	Utility District No. 167.
18	Sec. 8065.0102. NATURE OF DISTRICT. The district is a
19	municipal utility district created under Section 59, Article XVI,
20	Texas Constitution.
21	Sec. 8065.0103. CONFIRMATION AND DIRECTOR ELECTION
22	REQUIRED. The temporary directors shall hold an election to
23	confirm the creation of the district and to elect five permanent
24	directors as provided by Section 49.102, Water Code.

Sec. 8065.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8065.0103 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. 8065.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. 7 8 (a) The district is created to serve a public purpose and benefit. (b) The district is created to accomplish the purposes of: 9 (1) a municipal utility district as provided by 10 general law and Section 59, Article XVI, Texas Constitution; and 11 12 (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, 13 or maintenance of macadamized, graveled, or paved roads, or 14 15 improvements, including storm drainage, in aid of those roads.

Sec. 8065.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

19 (b) The boundaries and field notes contained in Section 2 of 20 the Act enacting this chapter form a closure. A mistake made in the 21 field notes or in copying the field notes in the legislative process 22 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

1	(4) legality or operation.
2	SUBCHAPTER B. BOARD OF DIRECTORS
3	Sec. 8065.0201. GOVERNING BODY; TERMS. (a) The district is
4	governed by a board of five elected directors.
5	(b) Except as provided by Section 8065.0202, directors
6	serve staggered four-year terms.
7	Sec. 8065.0202. TEMPORARY DIRECTORS. (a) The temporary
8	board consists of:
9	(1) Jesus Espinoza;
10	(2) Norman E. Gutierrez;
11	(3) John D. Eckstrum;
12	(4) Tommy Nichol; and
13	(5) Blake Cogdell.
14	(b) Temporary directors serve until the earlier of:
15	(1) the date permanent directors are elected under
16	Section 8065.0103; or
17	(2) the fourth anniversary of the effective date of
18	the Act enacting this chapter.
19	(c) If permanent directors have not been elected under
20	Section 8065.0103 and the terms of the temporary directors have
21	expired, successor temporary directors shall be appointed or
22	reappointed as provided by Subsection (d) to serve terms that
23	expire on the earlier of:
24	(1) the date permanent directors are elected under
25	Section 8065.0103; or
26	(2) the fourth anniversary of the date of the
27	appointment or reappointment.

1 (d) If Subsection (c) applies, the owner or owners of a 2 majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the 3 commission appoint as successor temporary directors the five 4 persons named in the petition. The commission shall appoint as 5 successor temporary directors the five persons named in the 6 7 petition. SUBCHAPTER C. POWERS AND DUTIES 8 9 Sec. 8065.0301. GENERAL POWERS AND DUTIES. The district 10 has the powers and duties necessary to accomplish the purposes for which the district is created. 11 12 Sec. 8065.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the 13 general law of this state, including Chapters 49 and 54, Water Code, 14 applicable to municipal utility districts created under Section 59, 15 Arti<u>cle XVI, Texas Constitution.</u> 16 Sec. 8065.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 17 52, Article III, Texas Constitution, the district may design, 18 acquire, construct, finance, issue bonds for, improve, operate, 19 maintain, and convey to this state, a county, or a municipality for 20 operation and maintenance macadamized, graveled, or paved roads, or 21 22 improvements, including storm drainage, in aid of those roads. Sec. 8065.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A 23 24 road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each 25 26 municipality in whose corporate limits or extraterritorial jurisdiction the road project is located. 27

H.B. No. 3047 1 (b) If a road project is not located in the corporate limits 2 or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, 3 subdivision requirements, and regulations of each county in which 4 5 the road project is located. (c) If the state will maintain and operate the road, the 6 7 Texas Transportation Commission must approve the plans and 8 specifications of the road project. Sec. 8065.0305. COMPLIANCE WITH MUNICIPAL 9 CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all 10 applicable requirements of any ordinance or resolution that is 11 12 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 13 14 in the district. 15 Sec. 8065.0306. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district: 16 17 (1) has no outstanding bonded debt; and (2) is not imposing ad valorem taxes. 18 19 (b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and 20 duties of the district. 21 (c) Any new district created by the division of the district 22 may not, at the time the new district is created, contain any land 23 24 outside the area described by Section 2 of the Act enacting this 25 chapter. 26 (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 27

1	the real property in the district, may adopt an order dividing the
2	district.
3	(e) The board may adopt an order dividing the district
4	before or after the date the board holds an election under Section
5	8065.0103 to confirm the creation of the district.
6	(f) An order dividing the district shall:
7	(1) name each new district;
8	(2) include the metes and bounds description of the
9	territory of each new district;
10	(3) appoint temporary directors for each new district;
11	and
12	(4) provide for the division of assets and liabilities
13	between or among the new districts.
14	(g) On or before the 30th day after the date of adoption of
15	an order dividing the district, the district shall file the order
16	with the commission and record the order in the real property
17	records of each county in which the district is located.
18	(h) Any new district created by the division of the district
19	shall hold a confirmation and directors' election as required by
20	Section 8065.0103.
21	(i) If the creation of the new district is confirmed, the
22	new district shall provide the election date and results to the
23	commission.
24	(j) Any new district created by the division of the district
25	must hold an election as required by this chapter to obtain voter
26	approval before the district may impose a maintenance tax or issue
27	bonds payable wholly or partly from ad valorem taxes.

(k) If the voters of a new district do not confirm the 1 creation of the new district, the assets, obligations, territory, 2 and governance of the new district revert to that of the original 3 4 district. 5 Sec. 8065.0307. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the 6 7 district to acquire a site or easement for: 8 (1) a road project authorized by Section 8065.0303; or 9 (2) a recreational facility as defined by Section 10 49.462, Water Code. SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS 11 12 Sec. 8065.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other 13 14 obligations secured by: 15 (1) revenue other than ad valorem taxes; or 16 (2) contract payments described by Section 8065.0403. 17 (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval 18 19 before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes. 20 21 (c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a 22 vote of a two-thirds majority of the district voters voting at an 23 24 election held for that purpose. 25 Sec. 8065.0402. OPERATION AND MAINTENANCE TAX. (a) If 26 authorized at an election held under Section 8065.0401, the district may impose an operation and maintenance tax on taxable 27

H.B. No. 3047

1 property in the district in accordance with Section 49.107, Water
2 Code.

3 (b) The board shall determine the tax rate. The rate may not 4 exceed the rate approved at the election.

5 <u>Sec. 8065.0403. CONTRACT TAXES. (a) In accordance with</u> 6 <u>Section 49.108, Water Code, the district may impose a tax other than</u> 7 <u>an operation and maintenance tax and use the revenue derived from</u> 8 <u>the tax to make payments under a contract after the provisions of</u> 9 <u>the contract have been approved by a majority of the district voters</u> 10 <u>voting at an election held for that purpose.</u>

11 (b) A contract approved by the district voters may contain a 12 provision stating that the contract may be modified or amended by 13 the board without further voter approval.

14

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8065.0501. 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.

21 <u>Sec. 8065.0502. TAXES FOR BONDS. At the time the district</u> 22 <u>issues bonds payable wholly or partly from ad valorem taxes, the</u> 23 <u>board shall provide for the annual imposition of a continuing</u> 24 <u>direct ad valorem tax, without limit as to rate or amount, while all</u> 25 <u>or part of the bonds are outstanding as required and in the manner</u> 26 <u>provided by Sections 54.601 and 54.602, Water Code.</u>

27 Sec. 8065.0503. BONDS FOR ROAD PROJECTS. At the time of

1 <u>issuance, the total principal amount of bonds or other obligations</u> 2 <u>issued or incurred to finance road projects and payable from ad</u> 3 <u>valorem taxes may not exceed one-fourth of the assessed value of the</u> 4 real property in the district.

5 SECTION 2. The Montgomery County Municipal Utility District 6 No. 167 initially includes all the territory contained in the 7 following area:

8 BEING 242.128 ACRES OF LAND, MORE OR LESS, WITH 74.18 ACRES SITUATED IN THE THOMAS DOUGLAS SURVEY, ABSTRACT NUMBER 187 AND 167.88 ACRES 9 SITUATED IN THE MATTHEW CARTWRIGHT SURVEY, ABSTRACT NUMBER 126, ALL 10 IN MONTGOMERY COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN CALLED 11 249.943 ACRE TRACT CONVEYED IN SPECIAL WARRANTY DEED TO AVANTI 12 2854, LLC, RECORDED UNDER CLERK'S FILE NUMBER 2017006860 OFFICIAL 13 14 PUBLIC RECORDS OF MONTGOMERY COUNTY, TEXAS, TOGETHER WITH THAT 15 CERTAIN CALLED 0.4658 ACRE TRACT CONVEYED TO AVANTI 2854, LLC, RECORDED UNDER CLERK'S FILE NUMBER 2018092894 OFFICIAL PUBLIC 16 17 RECORDS OF MONTGOMERY COUNTY, TEXAS, SAVE AND EXCEPT THAT CERTAIN CALLED 8.341 ACRE TRACT AS CONVEYED BY AVANTI 2854, LLC TO 18 MONTGOMERY COUNTY, TEXAS, A POLITICAL SUBDIVISION OF THE STATE OF 19 TEXAS, RECORDED IN EXCHANGE DEED UNDER CLERK'S FILE NUMBER 20 2018092878 OFFICIAL PUBLIC RECORDS OF MONTGOMERY COUNTY, TEXAS; 21 SAID 242.128 ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS 22 WITH ALL BEARINGS AND COORDINATES REFERENCED TO THE TEXAS 23 24 COORDINATE SYSTEM, CENTRAL ZONE 4203 NAD-83, ALL COORDINATES SHOWN ARE GRID AND MAY BE CONVERTED TO SURFACE BY MULTIPLYING BY THE 25 COMBINED ADJUSTMENT FACTOR OF 1.00061987: 26

27 BEGINNING at the lower Northwest corner of the called 249.943 acre

1 tract located at the intersection of the South right-of-way of Katie Road, a variable width right-of-way designated as a "County 2 3 Road" (no deed found), with the East right-of-way of F. M. Highway 2854, a variable width right-of-way as referenced in Deed from J. H. 4 5 Talley to the County of Montgomery, State of Texas and recorded in Volume 716, Page 132 Montgomery County Deed Records; said point 6 having a coordinate value of North 10,114,844.41 7 and East 8 3,774,584.72;

THENCE North 87° 21' 23" East for a distance of 1209.36 feet along 9 the lower North line of the called 249.943 acre tract and South line 10 of Katie Road to an interior Northwest corner of the herein 11 described tract and further located at the East line of the Thomas 12 Douglas Survey and the West line of the Matthew Cartwright Survey; 13 14 THENCE North 03° 25' 54" West along the upper West line of the called 15 249.943 acre tract, continuing along the East line of the Thomas Douglas Survey and the West line of the Matthew Cartwright Survey 16 17 passing the North line of Katie Road and the Southeast corner of that certain called 13.38 acre tract conveyed to Ronald G. 18 McCracken and spouse, Laura J. McCracken recorded under Clerk's 19 File Number 2006-077430 Montgomery County Real Property Records, 20 continuing a deed call distance of 1334.52 feet to the 13.38 acre 21 tract Northeast corner and being an angle point of the herein 22 23 described tract at an upper Southeast corner of that certain called 24 16.027 acre tract conveyed to Ronald G. McCracken, et ux, recorded under Clerk's File Number 2007-0573 Montgomery County Real Property 25 26 Records;

27 THENCE North 02° 04' 38" West for a distance of 260.11 feet

1 continuing along the East line of the Thomas Douglas Survey and the West line of the Matthew Cartwright Survey, common to the upper East 2 3 line of the called 16.027 acre tract, to the upper Northwest corner of the herein described tract and the upper Northwest corner of the 4 5 called 249.943 acre tract, and located at the Southwest corner of that certain called 85.194 acre tract conveyed to the Estate of Carl 6 A. Sudbury, et al to Martha D. Mayer, Trustee, recorded under 7 Clerk's File Number 2000-003039 Montgomery County Real Property 8 Records 9

10 THENCE North 86° 44' 51" East along the South line of the called 11 85.194 acre tract for a distance of 1570.87 feet to a point for 12 angle at the called 85.194 acre tract Southeast corner and a 13 Southwest corner of a called 207 acre tract conveyed to Jasper 14 Duncan Cartwright and recorded in Volume 626, Page 86 Montgomery 15 County Deed Records;

16 THENCE North 73° 43' 03" East along the South line of the called 207 17 acre tract for a distance of 673.34 feet to a point for the 18 Northeast corner of the herein described tract located in the 19 Westerly high-bank of Mound Creek;

20 THENCE with the following courses and distances along the Westerly 21 high-bank of Mound Creek:

22 1) South 34° 16' 12" East for a distance of 44.50 feet to a point 23 for corner;

24 2) South 67° 14' 09" East for a distance of 51.81 feet to a point
25 for corner;

26 3) South 54° 16' 20" East for a distance of 22.71 feet to a point 27 for corner;

1 4) South 14° 59' 12" West for a distance of 33.77 feet to a point for corner/; 2 3 5) South 49° 10' 18" East for a distance of 21.62 feet to a point 4 for corner; 6) 5 South 08° 50' 45" East for a distance of 32.07 feet to a point 6 for corner; 7 7) South 14° 29' 14" West for a distance of 59.23 feet to a point 8 for corner; 8) South 19° 56' 34" East for a distance of 59.05 feet to a point 9 10 for corner; South 06° 16' 39" East for a distance of 90.94 feet to a point 9) 11 12 for corner; South 11° 21' 07" East for a distance of 38.72 feet to a point 13 10) 14 for corner; 15 11) South 32° 51' 33" East for a distance of 103.15 feet to a point 16 for corner; 17 12) South 31° 08' 48" East for a distance of 111.54 feet to a point for corner; 18 South 67° 19' 47" East for a distance of 37.51 feet to a point 19 13) 20 for corner; South 39° 35' 32" East for a distance of 31.28 feet to a point 21 14) 22 for corner; South 27° 22' 39" East for a distance of 173.85 feet to a point 23 15) 24 for corner; South 00° 37' 47" East for a distance of 35.63 feet to a point 25 16) 26 for corner; 17) South 26° 43' 57" East for a distance of 34.32 feet to a point 27

H.B. No. 3047

1 for corner;

2 18) South 49° 57' 22" East for a distance of 106.17 feet to a point
3 for corner;

4 19) South 43° 57' 10" East for a distance of 174.91 feet to a point
5 for corner;

6 20) South 00° 25' 37" East for a distance of 255.88 feet to a point
7 for corner;

8 21) South 23° 28' 27" E for a distance of 14.24 feet to a point

9 THENCE South 86° 19' 53" West for a distance of 82.61 feet along the 10 West line of the aforesaid called 207 acre tract to an interior 11 corner of the herein described tract;

12 THENCE South 03° 16' 56" East for a distance of 1398.16 feet 13 continuing along the West line of the called 207 acre tract to a 14 point for the upper Southeast corner of the herein described tract 15 and Southeast corner of the called 249.943 acre tract and being in 16 the North line of that certain called 75 acre tract conveyed to 17 Jasper Duncan Cartwright in Deed recorded in Volume 626, Page 509 18 Montgomery County Deed Records;

19 THENCE South 86° 41' 48" West for a distance of 1041.81 feet along 20 the Cartwright North line to an interior corner of the herein 21 described tract

22 THENCE South 12° 01' 56" East for a distance of 329.46 feet to a 23 Southeast corner of the herein described tract at an interior 24 corner of the called 75 acre tract;

25 THENCE South 87° 26' 11" West for a distance of 1692.85 feet along 26 the Westerly North line of the called 75 acre tract to a Northwest 27 corner of the called 75 acre tract at an interior corner of the

1 herein described tract;

2 THENCE South 06° 29' 00" E for a distance of 354.36 feet along the 3 West line of the called 75 acre tract to the Southwest corner of the 4 called 74 acre tract and being an interior corner of the herein 5 described tract;

6 THENCE North 87° 41' 38" East for a distance of 144.44 feet to a 7 lower Northeast corner of the herein described tract and being a 8 Northwest corner of that certain called 98.2 acre tract conveyed to 9 Patricia Joe Schuller in Deed recorded in Volume 626, Page 78 10 Montgomery County Deed Records;

THENCE South 03° 16' 52" East along the West line of the called 98.2 11 acre tract and the West line of a called 9.0054 acre tract conveyed 12 to James Michael Brown recorded under Clerk's File Number 9703943 13 14 Montgomery County Real Property Records; in all, a distance of 15 1900.40 feet to the Southeast corner of the herein described tract; THENCE South 87° 11' 56" West along the North line of that certain 16 17 called 5.435 acre tract conveyed to Patricia S. Smith recorded under Clerk's File Number 9346082 Montgomery County Real Property 18 19 Records, and along the North line of that certain called 1.000 acre tract conveyed to Barnie E. Edwards recorded under Clerk's File 20 Number 8213103 Montgomery County Real Property Records for a 21 22 distance of 559.03 feet to the Southwest corner of the herein 23 described tract, located in the East line of F. M. 2854;

THENCE with the following courses and distances along the East line of F. M. 2854 and the West line of the called 249.943 acre tract as follows:

27 1) North 36° 18' 16" West for a distance of 246.29 feet to a point

1 for corner;

2 2) North 28° 02' 36" West for a distance of 577.02 feet to the
3 beginning of a non-tangential curve to the right;

Along said curve turning to the right through an angle of 13° 16'
17", having a radius of 2804.83 feet, an arc length of 649.68 feet
and whose long chord bears North 21° 15' 04" West for a distance of
648.23 feet to a point of intersection with a non-tangential line;

8 4) North 08° 21' 11" West for a distance of 286.54 feet to a point
9 for corner at the Southwest corner of the aforementioned called
10 8.341 acre tract;

11 THENCE with the following courses and distances along the called 12 8.341 acre tract:

1) North 38° 33' 59" East for a distance of 79.38 feet to a point
14 for corner;

15 2) North 85° 41' 19" East for a distance of 431.79 feet to the 16 beginning of a curve to the left;

With said curve turning to the left through an angle of 90° 00' No", having a radius of 201.00 feet, an arc length of 315.73 feet and whose long chord bears North 40° 41' 19" East for a distance of 284.26 feet to a point for corner;

21 4) North 04° 18' 41" West for a distance of 148.00 feet to the
22 beginning of a curve to the left;

5) Along said curve turning to the left through an angle of 90° 00' Along said curve turning to the left through an angle of 90° 00' having a radius of 201.00 feet, an arc length of 315.73 feet and whose long chord bears North 49° 18' 41" West for a distance of 284.26 feet;

27 6) South 85° 41' 19" West for a distance of 433.95 feet to a point

1 for corner;

2 7) North 50° 06' 44" West for a distance of 71.76 feet to a point
3 for corner in the East line of F. M. 2854;

4 THENCE with the following courses and distances along the East line 5 of F. M. 2854 and the West line of the called 249.943 acre tract as 6 follows:

7 1) North 05° 14' 58" West for a distance of 129.46 feet to a point
8 for corner;

9 2) North 07° 34' 43" West for a distance of 190.26 feet to a point
10 for corner;

11 3) North 11° 52' 28" West for a distance of 584.29 feet to the 12 beginning of a non-tangential curve to the left;

Along said curve turning to the left through 03° 40' 20", having a radius of 5809.65 feet, an arc length of 372.36 feet and whose long chord bears North 16° 15' 44" West for a distance of 372.30 feet to the Point of Beginning and containing a calculated area of 242.128 acres.

SECTION 3. (a) The legal notice of the intention to 18 19 introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a 20 copy of this Act have been furnished to all persons, agencies, 21 officials, or entities to which they are required to be furnished 22 23 under Section 59, Article XVI, Texas Constitution, and Chapter 313, 24 Government Code.

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

1 (c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the 2 3 lieutenant governor, and the speaker of the house of representatives within the required time. 4

5 (d) All requirements of the constitution and laws of this 6 state and the rules and procedures of the legislature with respect 7 to the notice, introduction, and passage of this Act are fulfilled 8 and accomplished.

9 SECTION 4. (a) Section 8065.0307, Special District Local 10 Laws Code, as added by Section 1 of this Act, takes effect only if 11 this Act receives a two-thirds vote of all the members elected to 12 each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8065, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8065.0307 to read as follows:

Sec. 8065.0307. NO EMINENT DOMAIN POWER. The district may
 not exercise the power of eminent domain.

(c) 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.