

1-1 By: Bell of Montgomery H.B. No. 4678
 1-2 (Senate Sponsor - Creighton)
 1-3 (In the Senate - Received from the House May 6, 2019;
 1-4 May 6, 2019, read first time and referred to Committee on
 1-5 Intergovernmental Relations; May 15, 2019, reported favorably by
 1-6 the following vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to the creation of the Montgomery County Municipal Utility
 1-19 District No. 162; granting a limited power of eminent domain;
 1-20 providing authority to issue bonds; providing authority to impose
 1-21 assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-23 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-24 Code, is amended by adding Chapter 8090 to read as follows:

1-25 CHAPTER 8090. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 8090.0101. 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 Montgomery County Municipal
 1-33 Utility District No. 162.

1-34 Sec. 8090.0102. 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. 8090.0103. CONFIRMATION AND DIRECTOR 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. 8090.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-42 temporary directors may not hold an election under Section
 1-43 8090.0103 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. 8090.0105. 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. 8090.0106. 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. 8090.0201. 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 8090.0202, directors
2-12 serve staggered four-year terms.

2-13 Sec. 8090.0202. TEMPORARY DIRECTORS. (a) On or after the
2-14 effective date of the Act enacting this chapter, the owner or owners
2-15 of a majority of the assessed value of the real property in the
2-16 district may submit a petition to the commission requesting that
2-17 the commission appoint as temporary directors the five persons
2-18 named in the petition. The commission shall appoint as temporary
2-19 directors the five persons named in the petition.

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

2-21 (1) the date permanent directors are elected under
2-22 Section 8090.0103; or

2-23 (2) the fourth anniversary of the effective date of
2-24 the Act enacting this chapter.

2-25 (c) If permanent directors have not been elected under
2-26 Section 8090.0103 and the terms of the temporary directors have
2-27 expired, successor temporary directors shall be appointed or
2-28 reappointed as provided by Subsection (d) to serve terms that
2-29 expire on the earlier of:

2-30 (1) the date permanent directors are elected under
2-31 Section 8090.0103; or

2-32 (2) the fourth anniversary of the date of the
2-33 appointment or reappointment.

2-34 (d) If Subsection (c) applies, the owner or owners of a
2-35 majority of the assessed value of the real property in the district
2-36 may submit a petition to the commission requesting that the
2-37 commission appoint as successor temporary directors the five
2-38 persons named in the petition. The commission shall appoint as
2-39 successor temporary directors the five persons named in the
2-40 petition.

2-41 SUBCHAPTER C. POWERS AND DUTIES

2-42 Sec. 8090.0301. GENERAL POWERS AND DUTIES. The district
2-43 has the powers and duties necessary to accomplish the purposes for
2-44 which the district is created.

2-45 Sec. 8090.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
2-46 DUTIES. The district has the powers and duties provided by the
2-47 general law of this state, including Chapters 49 and 54, Water Code,
2-48 applicable to municipal utility districts created under Section 59,
2-49 Article XVI, Texas Constitution.

2-50 Sec. 8090.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
2-51 52, Article III, Texas Constitution, the district may design,
2-52 acquire, construct, finance, issue bonds for, improve, operate,
2-53 maintain, and convey to this state, a county, or a municipality for
2-54 operation and maintenance macadamized, graveled, or paved roads, or
2-55 improvements, including storm drainage, in aid of those roads.

2-56 Sec. 8090.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-57 road project must meet all applicable construction standards,
2-58 zoning and subdivision requirements, and regulations of each
2-59 municipality in whose corporate limits or extraterritorial
2-60 jurisdiction the road project is located.

2-61 (b) If a road project is not located in the corporate limits
2-62 or extraterritorial jurisdiction of a municipality, the road
2-63 project must meet all applicable construction standards,
2-64 subdivision requirements, and regulations of each county in which
2-65 the road project is located.

2-66 (c) If the state will maintain and operate the road, the
2-67 Texas Transportation Commission must approve the plans and
2-68 specifications of the road project.

2-69 Sec. 8090.0305. COMPLIANCE WITH MUNICIPAL CONSENT

3-1 ORDINANCE OR RESOLUTION. The district shall comply with all
 3-2 applicable requirements of any ordinance or resolution that is
 3-3 adopted under Section 54.016 or 54.0165, Water Code, and that
 3-4 consents to the creation of the district or to the inclusion of land
 3-5 in the district.

3-6 Sec. 8090.0306. DIVISION OF DISTRICT. (a) The district may
 3-7 be divided into two or more new districts only if the district:

3-8 (1) has never issued any bonds; and

3-9 (2) is not imposing ad valorem taxes.

3-10 (b) This chapter applies to any new district created by the
 3-11 division of the district, and a new district has all the powers and
 3-12 duties of the district.

3-13 (c) A new district created by the division of the district
 3-14 may not, at the time the new district is created, contain any land
 3-15 outside the area described by Section 2 of the Act enacting this
 3-16 chapter.

3-17 (d) The board, on its own motion or on receipt of a petition
 3-18 signed by the owner or owners of a majority of the assessed value of
 3-19 the real property in the district, may adopt an order dividing the
 3-20 district.

3-21 (e) The board may adopt an order dividing the district
 3-22 before or after the date the board holds an election under Section
 3-23 8090.0103 to confirm the district's creation.

3-24 (f) An order dividing the district shall:

3-25 (1) name each new district;

3-26 (2) include the metes and bounds description of the
 3-27 territory of each new district;

3-28 (3) appoint temporary directors for each new district;

3-29 and

3-30 (4) provide for the division of assets and liabilities
 3-31 between the new districts.

3-32 (g) On or before the 30th day after the date of adoption of
 3-33 an order dividing the district, the district shall file the order
 3-34 with the commission and record the order in the real property
 3-35 records of each county in which the district is located.

3-36 (h) A new district created by the division of the district
 3-37 shall hold a confirmation and directors' election as required by
 3-38 Section 8090.0103.

3-39 (i) If the creation of the new district is confirmed, the
 3-40 new district shall provide the election date and results to the
 3-41 commission.

3-42 (j) Any new district created by the division of the district
 3-43 must hold an election as required by this chapter to obtain voter
 3-44 approval before the district may impose a maintenance tax or issue
 3-45 bonds payable wholly or partly from ad valorem taxes.

3-46 (k) Municipal consent to the creation of the district and to
 3-47 the inclusion of land in the district granted under Section
 3-48 8090.0104 acts as municipal consent to the creation of any new
 3-49 district created by the division of the district and to the
 3-50 inclusion of land in the new district.

3-51 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-52 Sec. 8090.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
 3-53 The district may issue, without an election, bonds and other
 3-54 obligations secured by:

3-55 (1) revenue other than ad valorem taxes; or

3-56 (2) contract payments described by Section 8090.0403.

3-57 (b) The district must hold an election in the manner
 3-58 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-59 before the district may impose an ad valorem tax or issue bonds
 3-60 payable from ad valorem taxes.

3-61 (c) The district may not issue bonds payable from ad valorem
 3-62 taxes to finance a road project unless the issuance is approved by a
 3-63 vote of a two-thirds majority of the district voters voting at an
 3-64 election held for that purpose.

3-65 Sec. 8090.0402. OPERATION AND MAINTENANCE TAX. (a) If
 3-66 authorized at an election held under Section 8090.0401, the
 3-67 district may impose an operation and maintenance tax on taxable
 3-68 property in the district in accordance with Section 49.107, Water
 3-69 Code.

4-1 (b) The board shall determine the tax rate. The rate may not
 4-2 exceed the rate approved at the election.

4-3 Sec. 8090.0403. CONTRACT TAXES. (a) In accordance with
 4-4 Section 49.108, Water Code, the district may impose a tax other than
 4-5 an operation and maintenance tax and use the revenue derived from
 4-6 the tax to make payments under a contract after the provisions of
 4-7 the contract have been approved by a majority of the district voters
 4-8 voting at an election held for that purpose.

4-9 (b) A contract approved by the district voters may contain a
 4-10 provision stating that the contract may be modified or amended by
 4-11 the board without further voter approval.

4-12 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-13 Sec. 8090.0501. AUTHORITY TO ISSUE BONDS AND OTHER
 4-14 OBLIGATIONS. The district may issue bonds or other obligations
 4-15 payable wholly or partly from ad valorem taxes, impact fees,
 4-16 revenue, contract payments, grants, or other district money, or any
 4-17 combination of those sources, to pay for any authorized district
 4-18 purpose.

4-19 Sec. 8090.0502. TAXES FOR BONDS. At the time the district
 4-20 issues bonds payable wholly or partly from ad valorem taxes, the
 4-21 board shall provide for the annual imposition of a continuing
 4-22 direct ad valorem tax, without limit as to rate or amount, while all
 4-23 or part of the bonds are outstanding as required and in the manner
 4-24 provided by Sections 54.601 and 54.602, Water Code.

4-25 Sec. 8090.0503. BONDS FOR ROAD PROJECTS. At the time of
 4-26 issuance, the total principal amount of bonds or other obligations
 4-27 issued or incurred to finance road projects and payable from ad
 4-28 valorem taxes may not exceed one-fourth of the assessed value of the
 4-29 real property in the district.

4-30 SECTION 2. The Montgomery County Municipal Utility District
 4-31 No. 162 initially includes all the territory contained in the
 4-32 following area:

4-33 A description of a 1193 acre tract of land, located in the
 4-34 Alfonzo Steel Survey, Abstract 477, the John Bricker Survey,
 4-35 Abstract 98, the Gowan Harris Survey, Abstract 246, and the Lemuel
 4-36 Smith Survey, Abstract 502, in Montgomery County, Texas; out of the
 4-37 1,835.060 acre tract of land referenced as Tract III, Parcel 2, and
 4-38 out of the 191.470 acre tract of land referenced as Tract II, Parcel
 4-39 1 described in the deed recorded under Document Number 2018042236
 4-40 of the Official Public Records of Montgomery County, Texas and more
 4-41 particularly described as follows (all bearings based on the said
 4-42 2018042236 deed):

4-43 BEGINNING at the north corner of the Tract III, Parcel 2;
 4-44 THENCE South 30° 24' 00" East - 4321.40', along the northeast
 4-45 line of said Tract III, Parcel 2, to a northeasterly corner of said
 4-46 Tract III, Parcel 2, in the northeast line of aforesaid Alfonzo
 4-47 Steel Survey;

4-48 THENCE North 58° 58' 21" East - 1919.72', along the north line
 4-49 of Tract III, Parcel 2, partially along the northwest line of said
 4-50 Alfonzo Steel Survey, to the intersection of said north line and the
 4-51 west right-of-way line of FM 1314 (Conroe Porter Road);

4-52 THENCE South 48° 01' 22" East - 2965.58', along said west
 4-53 right-of-way line, and the east line of said Tract III, Parcel 2, to
 4-54 the beginning of a tangent curve to the right;

4-55 THENCE, 1150.34', along said common line, along said curve to
 4-56 the right, having a radius of 1859.86', a central angle of 35° 26'
 4-57 17", and a chord bearing and distance of South 30° 18' 14" East -
 4-58 1132.09', to the end of curve;

4-59 THENCE South 12° 33' 22" East - 34.59', along aforesaid west
 4-60 right-of-way line, the east line of Tract III, Parcel 2 and the east
 4-61 line of Tract 2, Parcel 1, to a point for corner;

4-62 THENCE South 12° 31' 04" East - 2420.93', continuing along
 4-63 said west right-of-way line, and the east line of said Tract 2,
 4-64 Parcel 1, to a point for corner;

4-65 THENCE South 11° 00' 27" East - 587.98', continuing along said
 4-66 common line, to a point which is three hundred feet north of the
 4-67 north right-of-way line of State Highway 242 (Lazy River Road);

4-68 THENCE, along a line three-hundred feet (300') north of and
 4-69 parallel with said north right-of-way line, the following

5-1 twenty-three (23) courses and distances:
 5-2 South 67° 55' 52" West - 25.80' to a point for corner;
 5-3 South 70° 12' 35" West - 881.55' to the beginning of a
 5-4 tangent curve to the right;
 5-5 1655.03', along said curve to the right, having a radius
 5-6 of 2565.25', a central angle of 36° 57' 57", and a chord bearing and
 5-7 distance of South 88° 37' 40" West - 1626.48', to the end of curve;
 5-8 North 72° 50' 13" West - 1053.14' to a point for corner;
 5-9 North 69° 00' 59" West - 298.93' to a point for corner;
 5-10 North 72° 47' 05" West - 126.31' to a point for corner;
 5-11 North 78° 40' 07" West - 99.48' to a point for corner;
 5-12 North 72° 47' 17" West - 183.43' to a point for corner;
 5-13 North 71° 52' 08" West - 300.26' to a point for corner;
 5-14 North 72° 59' 03" West - 110.05' to a point for corner;
 5-15 North 75° 32' 57" West - 99.73' to a point for corner;
 5-16 North 73° 01' 36" West - 504.90' to a point for corner;
 5-17 North 72° 53' 37" West - 601.51' to a point for corner;
 5-18 North 78° 36' 15" West - 100.50' to a point for corner;
 5-19 North 72° 53' 37" West - 299.32' to the point of
 5-20 beginning of a curve to the left;
 5-21 282.46', along said curve to the left, having a radius
 5-22 of 3254.79', a central angle of 04° 58' 20", and a chord bearing and
 5-23 distance of North 75° 22' 47" West - 282.37', to the end of curve;
 5-24 North 75° 22' 06" West - 579.39' to a point for corner;
 5-25 South 81° 54' 27" West - 807.27' to a point for corner;
 5-26 South 76° 44' 39" West - 451.13' to a point for corner;
 5-27 South 69° 22' 36" West - 435.97' to a point for corner;
 5-28 South 66° 28' 20" West - 315.10' to a point for corner;
 5-29 South 63° 36' 35" West - 300.37' to a point for corner;
 5-30 South 66° 28' 20" West - 320.29' to a point for corner;
 5-31 THENCE North 15° 49' 15" West - 1921.98' to a point for corner;
 5-32 THENCE North 59° 25' 43" East - 1902.10' to a point for corner;
 5-33 THENCE North 30° 26' 27" West - 2772.87' to a point for corner
 5-34 in the north line of the aforesaid Tract III, Parcel 2;
 5-35 THENCE North 58° 50' 47" East - 757.22', continuing along said
 5-36 north line, to a point for corner;
 5-37 THENCE North 30° 28' 06" West - 1535.32', continuing along
 5-38 said north line to a point for corner;
 5-39 THENCE North 59° 28' 54" East - 3005.35', continuing along
 5-40 said north line to the POINT OF BEGINNING, for a gross acreage of
 5-41 1195 acres.
 5-42 Save and Except the following description quoted from the
 5-43 deed recorded under Film Code Number 2000024269 of the Real
 5-44 Property Records of Montgomery County, Texas (bearings have been
 5-45 rotated to aforesaid 2018042236 deed bearing):
 5-46 ALL THAT TRACT OR PARCEL OF LAND situated in Montgomery
 5-47 County, Texas out of the Gowan Harris Survey A-246 and being a
 5-48 portion of the tract of land called 1,117.77 acres and designated as
 5-49 T85M1 as described in a deed from Champion International
 5-50 Corporation to Champion Realty Corporation (Florida) dated
 5-51 November 8, 1985 and recorded in Montgomery County Clerk File
 5-52 No. 8550943 of the Real Property Records of Montgomery County,
 5-53 Texas said 1.580 acre tract being more particularly described as
 5-54 follows;
 5-55 BEGINNING at a set 1/2" iron pin for the North corner in the
 5-56 division line between the Gowan Harris Survey A-246 and the Alfonso
 5-57 Stiel Survey A-477, also the Northwest line of the 1,117.77 acre
 5-58 tract, a set 1/2" iron pin the Southeast line of the Stiel Survey at
 5-59 a common corner between the Harris Survey and John Bricker Survey
 5-60 A-98, also the North corner of the 1,117.77 acre tract, lies N 59°
 5-61 28' 47" E, 466.69 ft. from this point;
 5-62 THENCE departing said division line with Northeast line of
 5-63 this tract, S 30° 34' 17" E, 220.28 ft. to a set 1/2" iron pin for
 5-64 East corner;
 5-65 THENCE with the Southeast line of this tract, S 59° 28' 47" W,
 5-66 312.46 ft. to a set 1/2" iron pin for South corner;
 5-67 THENCE with the Southwest line of this tract, N 30° 34' 17" W,
 5-68 220.28 ft. to a set 1/2" iron pin in the division line between the
 5-69 Stiel and Harris Surveys for West corner;

6-1 THENCE with said division line, also the Northwest Line of
6-2 said 1,117.77 acre tract and the tract herein described, N 59° 28'
6-3 47" E, 312.46 ft. to the PLACE OF BEGINNING and containing 1.580
6-4 acres of land.

6-5 For a net acreage of 1193 acres.

6-6 SECTION 3. (a) The legal notice of the intention to
6-7 introduce this Act, setting forth the general substance of this
6-8 Act, has been published as provided by law, and the notice and a
6-9 copy of this Act have been furnished to all persons, agencies,
6-10 officials, or entities to which they are required to be furnished
6-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-12 Government Code.

6-13 (b) The governor, one of the required recipients, has
6-14 submitted the notice and Act to the Texas Commission on
6-15 Environmental Quality.

6-16 (c) The Texas Commission on Environmental Quality has filed
6-17 its recommendations relating to this Act with the governor, the
6-18 lieutenant governor, and the speaker of the house of
6-19 representatives within the required time.

6-20 (d) All requirements of the constitution and laws of this
6-21 state and the rules and procedures of the legislature with respect
6-22 to the notice, introduction, and passage of this Act are fulfilled
6-23 and accomplished.

6-24 SECTION 4. (a) If this Act does not receive a two-thirds
6-25 vote of all the members elected to each house, Subchapter C, Chapter
6-26 8090, Special District Local Laws Code, as added by Section 1 of
6-27 this Act, is amended by adding Section 8090.0307 to read as follows:

6-28 Sec. 8090.0307. NO EMINENT DOMAIN POWER. The district may
6-29 not exercise the power of eminent domain.

6-30 (b) This section is not intended to be an expression of a
6-31 legislative interpretation of the requirements of Section 17(c),
6-32 Article I, Texas Constitution.

6-33 SECTION 5. This Act takes effect immediately if it receives
6-34 a vote of two-thirds of all the members elected to each house, as
6-35 provided by Section 39, Article III, Texas Constitution. If this
6-36 Act does not receive the vote necessary for immediate effect, this
6-37 Act takes effect September 1, 2019.

6-38

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