

1-1 By: Bell of Montgomery H.B. No. 4688
 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. 175; 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 8050 to read as follows:

1-25 CHAPTER 8050. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 175

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 8050.0101. 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. 175.

1-34 Sec. 8050.0102. 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. 8050.0103. 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. 8050.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-42 temporary directors may not hold an election under Section
 1-43 8050.0103 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. 8050.0105. 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. 8050.0106. 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. 8050.0201. 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 8050.0202, directors
2-12 serve staggered four-year terms.

2-13 Sec. 8050.0202. 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 8050.0103; 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 8050.0103 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 8050.0103; 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. 8050.0301. 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. 8050.0302. 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. 8050.0303. 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. 8050.0304. 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. 8050.0305. 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. 8050.0306. 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) Any 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 8050.0103 to confirm the creation of the district.

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 or among 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) Any new district created by the division of the district
 3-37 shall hold a confirmation and directors' election as required by
 3-38 Section 8050.0103.

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 8050.0104 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. 8050.0401. 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 8050.0403.

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. 8050.0402. OPERATION AND MAINTENANCE TAX. (a) If
 3-66 authorized at an election held under Section 8050.0401, 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. 8050.0403. 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. 8050.0501. 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. 8050.0502. 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. 8050.0503. 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. 175 initially includes all the territory contained in the
 4-32 following area:

4-33 A TRACT OF LAND SITUATED IN THE STATE OF TEXAS, IN MONTGOMERY
 4-34 COUNTY, TEXAS AND CONTAINING 857.061 ACRES OF LAND NOW OR FORMERLY
 4-35 OWNED BY GEORGE P. MITCHELL AND BEING ALL OR PART OF THE FOLLOWING
 4-36 SURVEYS: WILLIAM LOWE SURVEY A-325 AND MATTHEW MORSE SURVEY A-337.
 4-37 SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND
 4-38 BOUNDS AS FOLLOWS: BEARING ORIENTATION IS BASED ON THE TEXAS STATE
 4-39 PLANE COORDINATE SYSTEM, CENTRAL ZONE.

4-40 BEGINNING AT A FENCE CORNER BEING THE SOUTHWEST CORNER OF THE
 4-41 TRACT HEREIN BEING DESCRIBED AND BEING AT ITS INTERSECTION WITH THE
 4-42 EAST RIGHT-OF-WAY OF STATE HIGHWAY NO. 149 (100' R.O.W.) AND BEING
 4-43 ALSO ON THE SOUTH BOUNDARY OF THE WILLIAM LOWE SURVEY A-325, BEING A
 4-44 COMMON BOUNDARY WITH THE NORTH BOUNDARY OF THE WILLIAM McNINN NUNER
 4-45 SURVEY A-401. SAID POINT OF BEGINNING HAVING A TEXAS STATE PLANE
 4-46 COORDINATE VALUE OF X=3,462,817.99, Y=363,395.89.

4-47 THENCE N02° 59' 17"W, 3,465.49 FEET ALONG THE WEST BOUNDARY OF
 4-48 THIS TRACT AS FENCED AND OCCUPIED AND ALONG THE EAST RIGHT-OF-WAY OF
 4-49 SAID STATE HIGHWAY NO. 149 TO A FENCE CORNER AND POINT FOR CORNER
 4-50 FOR THIS TRACT. SAID CORNER BEING COMMON WITH THE SOUTHWEST CORNER
 4-51 OF "177 LAKE ESTATES SUBDIVISION."

4-52 THENCE N87° 05' 50"E, 2,735.87 FEET ALONG A NORTH BOUNDARY OF
 4-53 THIS TRACT AS FENCED AND OCCUPIED, BEING ALSO THE SOUTH BOUNDARY OF
 4-54 SAID "177 LAKE ESTATES SUBDIVISION" AND BEING ALSO THE NORTH
 4-55 BOUNDARY OF SAID WILLIAM LOWE SURVEY TO A POINT FOR CORNER MARKED BY
 4-56 A 4" BOILER PIPE (FOUND) AT FENCE CORNER.

4-57 THENCE N03° 28' 09"W, 2,738.46 FEET ALONG A WEST BOUNDARY OF
 4-58 THIS TRACT AS FENCED AND OCCUPIED, BEING COMMON WITH THE EAST
 4-59 BOUNDARY OF SAID "177 LAKE ESTATES SUBDIVISION" AND BEING ALSO A
 4-60 WEST BOUNDARY OF THE MATTHEW MORSE SURVEY TO A POINT FOR CORNER
 4-61 BEING THE NORTHWEST CORNER OF THIS TRACT AND BEING AT ITS
 4-62 INTERSECTION WITH THE SOUTH RIGHT-OF-WAY KEENAN CUT OFF ROAD, AND
 4-63 MARKED BY A 4" BOILER PIPE (FOUND).

4-64 THENCE, N86° 45' 31"E, 4,030.41 FEET ALONG A NORTH BOUNDARY OF
 4-65 THIS TRACT, SAME BEING THE NORTH BOUNDARY OF SAID MATTHEW MORSE
 4-66 SURVEY AND THE SOUTH RIGHT-OF-WAY OF KEENAN ROAD TO A POINT FOR
 4-67 CORNER AND FENCE CORNER. SAID CORNER BEING ALSO THE NORTHWEST
 4-68 CORNER OF THE T.J. NICHOLS SURVEY.

4-69 THENCE ALONG A COMMON BOUNDARY BETWEEN THE MATTHEW MORSE

5-1 SURVEY AND THE T.J. NICHOLS SURVEY AS FENCED AND OCCUPIED AS
5-2 FOLLOWS:

5-3 S03° 06' 04"E, 2,334.84 FEET TO A FENCE CORNER, AND POINT FOR CORNER.
5-4 AND N87° 21' 40"E, 1,301.13 FEET TO A POINT FOR CORNER MARKED BY A 4"
5-5 BOILER PIPE (FOUND) AT FENCE CORNER AND BEING AT ITS INTERSECTION
5-6 WITH THE WEST BOUNDARY OF THE JAMES HALL SURVEY.

5-7 THENCE ALONG THE EAST BOUNDARY OF SAID MATTHEW MORSE SURVEY
5-8 AS FENCED AND OCCUPIED, SAME BEING THE WEST BOUNDARY OF SAID JAMES
5-9 HALL SURVEY AND THE M.J. KIRBY AS FOLLOWS:

5-10 S02° 58' 28"E, 2,103.25 FEET TO A POINT FOR CORNER MARKED BY A 1 1/4"
5-11 IRON PIPE (FOUND).

5-12 S03° 24' 06"E, 21,203.26 FEET TO A POINT FOR CORNER MARKED BY A 1
5-13 1/4" IRON PIPE (FOUND).

5-14 AND S03° 50' 21"E, 346.32 FEET TO A POINT FOR CORNER AT ITS
5-15 INTERSECTION WITH THE NORTH BOUNDARY OF A 20.00 ACRE TRACT OWNED BY
5-16 GEORGE P. MITCHELL.

5-17 THENCE ALONG THE SOUTH BOUNDARY OF THIS TRACT SEVERING THE
5-18 MATTHEW MORSE SURVEY ALONG THE NORTH AND WEST BOUNDARY OF ABOVE
5-19 MENTIONED 20.00 ACRE TRACT AS FOLLOWS:

5-20 S89° 31' 14"W, 1,727.72 FEET TO A POINT FOR CORNER MARKED BY A 5/8"
5-21 IRON ROD WITH ALUMINUM CAP (FOUND).

5-22 AND S00° 28' 46"E, 500.00 FEET TO A POINT FOR CORNER ON THE SOUTH
5-23 LINE OF SAID MATTHEW MORSE SURVEY BEING COMMON WITH THE NORTH
5-24 BOUNDARY OF THE DANIEL ROPER SURVEY.

5-25 THENCE S89° 31' 14"W, 2,144.18 FEET ALONG THE ABOVE MENTIONED
5-26 COMMON SURVEY LINE TO A POINT FOR CORNER.

5-27 THENCE SEVERING SAID MATTHEW MORSE SURVEY AND THE WILLIAM
5-28 LOWE SURVEY AS FOLLOWS:

5-29 N02° 59' 17"W, 913.97 FEET TO A POINT FOR CORNER MARKED BY A 5/8"
5-30 IRON ROD WITH ALUMINUM CAP (FOUND).

5-31 S89° 31' 14"W, 1,868.81 FEET TO A POINT FOR CORNER ON THE CENTERLINE
5-32 OF THE TEXAS EASTERN PIPELINE RIGHT-OF-WAY RECORDED IN VOLUME 336,
5-33 PAGE 429 OF THE DEED RECORDS OF MONTGOMERY COUNTY, TEXAS (50 FEET
5-34 WIDE PIPELINE RIGHT-OF-WAY).

5-35 AND S44° 01' 41"W, 1,280.36 FEET ALONG THE CENTERLINE OF SAID
5-36 PIPELINE RIGHT-OF-WAY TO A POINT FOR CORNER AT ITS INTERSECTION
5-37 WITH THE SOUTH BOUNDARY OF SAID WILLIAM LOWE SURVEY AND BEING COMMON
5-38 WITH THE NORTH BOUNDARY OF THE DANIEL ROPER SURVEY.

5-39 THENCE S89° 31' 14"W, 83.12 FEET ALONG THE ABOVE MENTIONED
5-40 COMMON SURVEY LINE TO POINT FOR CORNER MARKED BY A 4" BOILER PIPE AT
5-41 FENCE CORNER AND BEING ALSO THE NORTHWEST CORNER OF THE DANIEL ROPER
5-42 SURVEY.

5-43 THENCE S86° 11' 16"W, 1,285.65 FEET ALONG THE SOUTH BOUNDARY
5-44 OF THE WILLIAM LOWE SURVEY BEING ALSO THE NORTH BOUNDARY OF THE WM.
5-45 McNINN NUNER SURVEY AS FENCED AND OCCUPIED TO THE POINT OF BEGINNING
5-46 AND CONTAINING 857.061 ACRES OF LAND.

5-47 SECTION 3. (a) The legal notice of the intention to
5-48 introduce this Act, setting forth the general substance of this
5-49 Act, has been published as provided by law, and the notice and a
5-50 copy of this Act have been furnished to all persons, agencies,
5-51 officials, or entities to which they are required to be furnished
5-52 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-53 Government Code.

5-54 (b) The governor, one of the required recipients, has
5-55 submitted the notice and Act to the Texas Commission on
5-56 Environmental Quality.

5-57 (c) The Texas Commission on Environmental Quality has filed
5-58 its recommendations relating to this Act with the governor, the
5-59 lieutenant governor, and the speaker of the house of
5-60 representatives within the required time.

5-61 (d) All requirements of the constitution and laws of this
5-62 state and the rules and procedures of the legislature with respect
5-63 to the notice, introduction, and passage of this Act are fulfilled
5-64 and accomplished.

5-65 SECTION 4. (a) If this Act does not receive a two-thirds
5-66 vote of all the members elected to each house, Subchapter C, Chapter
5-67 8050, Special District Local Laws Code, as added by Section 1 of
5-68 this Act, is amended by adding Section 8050.0307 to read as follows:
5-69 Sec. 8050.0307. NO EMINENT DOMAIN POWER. The district may

6-1 not exercise the power of eminent domain.

6-2 (b) This section is not intended to be an expression of a
6-3 legislative interpretation of the requirements of Section 17(c),
6-4 Article I, Texas Constitution.

6-5 SECTION 5. This Act takes effect immediately if it receives
6-6 a vote of two-thirds of all the members elected to each house, as
6-7 provided by Section 39, Article III, Texas Constitution. If this
6-8 Act does not receive the vote necessary for immediate effect, this
6-9 Act takes effect September 1, 2019.

6-10

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