

1-1 By: Creighton S.B. No. 2465  
 1-2 (In the Senate - Filed March 26, 2019; March 27, 2019, read  
 1-3 first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 23, 2019, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 0; April 23, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Schwertner	X			
1-9 Alvarado	X			
1-10 Campbell	X			
1-11 Fallon	X			
1-12 Menéndez			X	
1-13 Nichols	X			

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to the creation of the Montgomery County Municipal Utility  
 1-18 District No. 166; granting a limited power of eminent domain;  
 1-19 providing authority to issue bonds; providing authority to impose  
 1-20 assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-23 Code, is amended by adding Chapter 8067 to read as follows:

1-24 CHAPTER 8067. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 166

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8067.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "Commission" means the Texas Commission on  
 1-29 Environmental Quality.

1-30 (3) "Director" means a board member.

1-31 (4) "District" means the Montgomery County Municipal  
 1-32 Utility District No. 166.

1-33 Sec. 8067.0102. NATURE OF DISTRICT. The district is a  
 1-34 municipal utility district created under Section 59, Article XVI,  
 1-35 Texas Constitution.

1-36 Sec. 8067.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-37 REQUIRED. The temporary directors shall hold an election to  
 1-38 confirm the creation of the district and to elect five permanent  
 1-39 directors as provided by Section 49.102, Water Code.

1-40 Sec. 8067.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-41 temporary directors may not hold an election under Section  
 1-42 8067.0103 until each municipality in whose corporate limits or  
 1-43 extraterritorial jurisdiction the district is located has  
 1-44 consented by ordinance or resolution to the creation of the  
 1-45 district and to the inclusion of land in the district.

1-46 Sec. 8067.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-47 (a) The district is created to serve a public purpose and benefit.

1-48 (b) The district is created to accomplish the purposes of:

1-49 (1) a municipal utility district as provided by  
 1-50 general law and Section 59, Article XVI, Texas Constitution; and

1-51 (2) Section 52, Article III, Texas Constitution, that  
 1-52 relate to the construction, acquisition, improvement, operation,  
 1-53 or maintenance of macadamized, graveled, or paved roads, or  
 1-54 improvements, including storm drainage, in aid of those roads.

1-55 Sec. 8067.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-56 district is initially composed of the territory described by  
 1-57 Section 2 of the Act enacting this chapter.

1-58 (b) The boundaries and field notes contained in Section 2 of  
 1-59 the Act enacting this chapter form a closure. A mistake made in the  
 1-60 field notes or in copying the field notes in the legislative process  
 1-61 does not affect the district's:

1-62 (1) organization, existence, or validity;

1-63 (2) right to issue any type of bond for the purposes  
 1-64 for which the district is created or to pay the principal of and

2-1 interest on a bond;  
2-2 (3) right to impose a tax; or  
2-3 (4) legality or operation.

2-4 SUBCHAPTER B. BOARD OF DIRECTORS

2-5 Sec. 8067.0201. GOVERNING BODY; TERMS. (a) The district  
2-6 is governed by a board of five elected directors.

2-7 (b) Except as provided by Section 8067.0202, directors  
2-8 serve staggered four-year terms.

2-9 Sec. 8067.0202. TEMPORARY DIRECTORS. (a) The temporary  
2-10 board consists of:

- 2-11 (1) Emily Lassetter;
- 2-12 (2) Stephanie Trevino;
- 2-13 (3) Mike Scott;
- 2-14 (4) Allen DeJonge; and
- 2-15 (5) Marcus Campbell.

2-16 (b) Temporary directors serve until the earlier of:

2-17 (1) the date permanent directors are elected under  
2-18 Section 8067.0103; or

2-19 (2) the fourth anniversary of the effective date of  
2-20 the Act enacting this chapter.

2-21 (c) If permanent directors have not been elected under  
2-22 Section 8067.0103 and the terms of the temporary directors have  
2-23 expired, successor temporary directors shall be appointed or  
2-24 reappointed as provided by Subsection (d) to serve terms that  
2-25 expire on the earlier of:

2-26 (1) the date permanent directors are elected under  
2-27 Section 8067.0103; or

2-28 (2) the fourth anniversary of the date of the  
2-29 appointment or reappointment.

2-30 (d) If Subsection (c) applies, the owner or owners of a  
2-31 majority of the assessed value of the real property in the district  
2-32 may submit a petition to the commission requesting that the  
2-33 commission appoint as successor temporary directors the five  
2-34 persons named in the petition. The commission shall appoint as  
2-35 successor temporary directors the five persons named in the  
2-36 petition.

2-37 SUBCHAPTER C. POWERS AND DUTIES

2-38 Sec. 8067.0301. GENERAL POWERS AND DUTIES. The district  
2-39 has the powers and duties necessary to accomplish the purposes for  
2-40 which the district is created.

2-41 Sec. 8067.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
2-42 DUTIES. The district has the powers and duties provided by the  
2-43 general law of this state, including Chapters 49 and 54, Water Code,  
2-44 applicable to municipal utility districts created under Section 59,  
2-45 Article XVI, Texas Constitution.

2-46 Sec. 8067.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
2-47 52, Article III, Texas Constitution, the district may design,  
2-48 acquire, construct, finance, issue bonds for, improve, operate,  
2-49 maintain, and convey to this state, a county, or a municipality for  
2-50 operation and maintenance macadamized, graveled, or paved roads, or  
2-51 improvements, including storm drainage, in aid of those roads.

2-52 Sec. 8067.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
2-53 road project must meet all applicable construction standards,  
2-54 zoning and subdivision requirements, and regulations of each  
2-55 municipality in whose corporate limits or extraterritorial  
2-56 jurisdiction the road project is located.

2-57 (b) If a road project is not located in the corporate limits  
2-58 or extraterritorial jurisdiction of a municipality, the road  
2-59 project must meet all applicable construction standards,  
2-60 subdivision requirements, and regulations of each county in which  
2-61 the road project is located.

2-62 (c) If the state will maintain and operate the road, the  
2-63 Texas Transportation Commission must approve the plans and  
2-64 specifications of the road project.

2-65 Sec. 8067.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
2-66 ORDINANCE OR RESOLUTION. The district shall comply with all  
2-67 applicable requirements of any ordinance or resolution that is  
2-68 adopted under Section 54.016 or 54.0165, Water Code, and that  
2-69 consents to the creation of the district or to the inclusion of land  
2-70 in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8067.0401. 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 8067.0403.

(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. 8067.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8067.0401, 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. 8067.0403. 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. 8067.0501. 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. 8067.0502. 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. 8067.0503. 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. 166 initially includes all the territory contained in the following area:

BEING a 200.31 acre tract of land in the T Chatham Survey Abstract 137 being all of a called 152.0 acre tract of land as recorded in Montgomery County Clerk's File No. 2017-01236 (Save and Except the Right of Way of FM 2854 as recorded in Volume 1110, Page 816 of the Deed Records of Montgomery County) and all of a called 52.4 acre tract of land as recorded in Montgomery County Clerk's File No. 2017-012360, said 200.31 acre tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for the southeast corner of Lot 13 Block 1 Hilltop Ranch, Section 1, a subdivision recorded in the Cabinet O, Sheet 138 of the Map Records of Montgomery County, Texas, also being the southwesterly corner of the said 52.4 acre tract and being southwesterly corner of herein described tract;

THENCE N 02 deg. 05' 33" W along an easterly line of Hilltop Ranch, a distance of 1645.09 feet to a 1/2" iron rod for an interior angle point of Hilltop Ranch and being the northwesterly corner of herein described tract;

THENCE N 86 deg. 27' 49" E along a southerly line of Hilltop Ranch, a distance of 1300.68 feet to a 1/2" iron rod found for an easterly southeast corner of Hilltop Ranch, also in the westerly

4-1 line of Roman Hills Section 1 as recorded in Volume 10, Sheet 58 of  
4-2 the Map Record of Montgomery County, Texas and being the  
4-3 northeasterly corner of herein described tract;

4-4 THENCE S 02 deg. 42' 57" E along the westerly line of Roman  
4-5 Hills Section 1, a distance of 3381.75 feet to a 1/2" iron rod found  
4-6 in the northerly line of a called 857.061 acre tract as recorded in  
4-7 Montgomery County Clerk's File No. 2013-004324, and being the  
4-8 southeasterly corner of herein described tract;

4-9 THENCE S 89 deg. 21' 05" W along the northerly line of said  
4-10 857.061 acre tract, a distance of 1064.74 feet to a 3" iron pipe  
4-11 found for the northeasterly corner of the Winston Heir's 1.00 acre  
4-12 tract, also being the northwesterly corner of the said 857.061 acre  
4-13 tract and being a angle point of the herein described tract;

4-14 THENCE S 87 deg. 24' 19" W along the northerly line of the  
4-15 Winston tract, a distance of 1949.94 feet to a 1/2" iron rod found  
4-16 in the easterly Right of Way of FM 2854, also being the  
4-17 northwesterly corner of a called 37.89 acre tract of land as  
4-18 recorded in Montgomery County Clerk's File No. 9534597, and being  
4-19 the southwesterly corner of the herein described tract;

4-20 THENCE along the easterly Right of Way of FM 2854, N 52 deg.  
4-21 18' 39" W a distance of 865.84 feet to a concrete monument found for  
4-22 an angle point;

4-23 THENCE along the easterly Right of Way of FM 2854, along a  
4-24 curve to the right with a radius of 2804.79 feet, a chord that bears  
4-25 N 44 deg. 18' 53" W a distance of 794.75 feet to a concrete monument  
4-26 found for an angle point;

4-27 THENCE N 35 deg. 48' 17" W along the easterly Right of Way of  
4-28 FM 2854, a distance of 640.23 feet to a 5/8" iron rod found for the  
4-29 southerly southwest corner of Hilltop Ranch, and being the  
4-30 northwesterly corner herein described tract;

4-31 THENCE N 87 deg. 34' 27" E along the southerly line of Hilltop  
4-32 Ranch, a distance of 3232.07 feet to the POINT OF BEGINNING and  
4-33 containing 200.31 acres of land, more or less.

4-34 SECTION 3. (a) The legal notice of the intention to  
4-35 introduce this Act, setting forth the general substance of this  
4-36 Act, has been published as provided by law, and the notice and a  
4-37 copy of this Act have been furnished to all persons, agencies,  
4-38 officials, or entities to which they are required to be furnished  
4-39 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4-40 Government Code.

4-41 (b) The governor, one of the required recipients, has  
4-42 submitted the notice and Act to the Texas Commission on  
4-43 Environmental Quality.

4-44 (c) The Texas Commission on Environmental Quality has filed  
4-45 its recommendations relating to this Act with the governor, the  
4-46 lieutenant governor, and the speaker of the house of  
4-47 representatives within the required time.

4-48 (d) All requirements of the constitution and laws of this  
4-49 state and the rules and procedures of the legislature with respect  
4-50 to the notice, introduction, and passage of this Act are fulfilled  
4-51 and accomplished.

4-52 SECTION 4. (a) If this Act does not receive a two-thirds  
4-53 vote of all the members elected to each house, Subchapter C, Chapter  
4-54 8067, Special District Local Laws Code, as added by Section 1 of  
4-55 this Act, is amended by adding Section 8067.0306 to read as follows:

4-56 Sec. 8067.0306. NO EMINENT DOMAIN POWER. The district may  
4-57 not exercise the power of eminent domain.

4-58 (b) This section is not intended to be an expression of a  
4-59 legislative interpretation of the requirements of Section 17(c),  
4-60 Article I, Texas Constitution.

4-61 SECTION 5. This Act takes effect immediately if it receives  
4-62 a vote of two-thirds of all the members elected to each house, as  
4-63 provided by Section 39, Article III, Texas Constitution. If this  
4-64 Act does not receive the vote necessary for immediate effect, this  
4-65 Act takes effect September 1, 2019.