

1-1 By: Creighton S.B. No. 2466
 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. 174; 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 8066 to read as follows:
 1-24 CHAPTER 8066. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 174

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8066.0101. 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. 174.

1-33 Sec. 8066.0102. 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. 8066.0103. 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. 8066.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section
 1-42 8066.0103 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. 8066.0105. 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. 8066.0106. 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:

- 2-1 (1) organization, existence, or validity;
- 2-2 (2) right to issue any type of bond for the purposes
- 2-3 for which the district is created or to pay the principal of and
- 2-4 interest on a bond;
- 2-5 (3) right to impose a tax; or
- 2-6 (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

2-8 Sec. 8066.0201. GOVERNING BODY; TERMS. (a) The district
 2-9 is governed by a board of five elected directors.
 2-10 (b) Except as provided by Section 8066.0202, directors
 2-11 serve staggered four-year terms.

2-12 Sec. 8066.0202. TEMPORARY DIRECTORS. (a) The temporary
 2-13 board consists of:

- 2-14 (1) Lynnette Tujague;
- 2-15 (2) Andy Mersmann;
- 2-16 (3) Julia Russell;
- 2-17 (4) Monica Pena; and
- 2-18 (5) Madeline Berry.

2-19 (b) Temporary directors serve until the earlier of:
 2-20 (1) the date permanent directors are elected under
 2-21 Section 8066.0103; or
 2-22 (2) the fourth anniversary of the effective date of
 2-23 the Act enacting this chapter.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 8066.0103 and the terms of the temporary directors have
 2-26 expired, successor temporary directors shall be appointed or
 2-27 reappointed as provided by Subsection (d) to serve terms that
 2-28 expire on the earlier of:

- 2-29 (1) the date permanent directors are elected under
 2-30 Section 8066.0103; or
- 2-31 (2) the fourth anniversary of the date of the
 2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a
 2-34 majority of the assessed value of the real property in the district
 2-35 may submit a petition to the commission requesting that the
 2-36 commission appoint as successor temporary directors the five
 2-37 persons named in the petition. The commission shall appoint as
 2-38 successor temporary directors the five persons named in the
 2-39 petition.

SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 8066.0301. GENERAL POWERS AND DUTIES. The district
 2-42 has the powers and duties necessary to accomplish the purposes for
 2-43 which the district is created.

2-44 Sec. 8066.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-45 DUTIES. The district has the powers and duties provided by the
 2-46 general law of this state, including Chapters 49 and 54, Water Code,
 2-47 applicable to municipal utility districts created under Section 59,
 2-48 Article XVI, Texas Constitution.

2-49 Sec. 8066.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-50 52, Article III, Texas Constitution, the district may design,
 2-51 acquire, construct, finance, issue bonds for, improve, operate,
 2-52 maintain, and convey to this state, a county, or a municipality for
 2-53 operation and maintenance macadamized, graveled, or paved roads, or
 2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 8066.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-56 road project must meet all applicable construction standards,
 2-57 zoning and subdivision requirements, and regulations of each
 2-58 municipality in whose corporate limits or extraterritorial
 2-59 jurisdiction the road project is located.

2-60 (b) If a road project is not located in the corporate limits
 2-61 or extraterritorial jurisdiction of a municipality, the road
 2-62 project must meet all applicable construction standards,
 2-63 subdivision requirements, and regulations of each county in which
 2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the
 2-66 Texas Transportation Commission must approve the plans and
 2-67 specifications of the road project.

2-68 Sec. 8066.0305. COMPLIANCE WITH MUNICIPAL CONSENT
 2-69 ORDINANCE OR RESOLUTION. The district shall comply with all

3-1 applicable requirements of any ordinance or resolution that is
3-2 adopted under Section 54.016 or 54.0165, Water Code, and that
3-3 consents to the creation of the district or to the inclusion of land
3-4 in the district.

3-5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-6 Sec. 8066.0401. ELECTIONS REGARDING TAXES OR BONDS.

3-7 (a) The district may issue, without an election, bonds and other
3-8 obligations secured by:

- 3-9 (1) revenue other than ad valorem taxes; or
- 3-10 (2) contract payments described by Section 8066.0403.

3-11 (b) The district must hold an election in the manner
3-12 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-13 before the district may impose an ad valorem tax or issue bonds
3-14 payable from ad valorem taxes.

3-15 (c) The district may not issue bonds payable from ad valorem
3-16 taxes to finance a road project unless the issuance is approved by a
3-17 vote of a two-thirds majority of the district voters voting at an
3-18 election held for that purpose.

3-19 Sec. 8066.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-20 authorized at an election held under Section 8066.0401, the
3-21 district may impose an operation and maintenance tax on taxable
3-22 property in the district in accordance with Section 49.107, Water
3-23 Code.

3-24 (b) The board shall determine the tax rate. The rate may not
3-25 exceed the rate approved at the election.

3-26 Sec. 8066.0403. CONTRACT TAXES. (a) In accordance with
3-27 Section 49.108, Water Code, the district may impose a tax other than
3-28 an operation and maintenance tax and use the revenue derived from
3-29 the tax to make payments under a contract after the provisions of
3-30 the contract have been approved by a majority of the district voters
3-31 voting at an election held for that purpose.

3-32 (b) A contract approved by the district voters may contain a
3-33 provision stating that the contract may be modified or amended by
3-34 the board without further voter approval.

3-35 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-36 Sec. 8066.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-37 OBLIGATIONS. The district may issue bonds or other obligations
3-38 payable wholly or partly from ad valorem taxes, impact fees,
3-39 revenue, contract payments, grants, or other district money, or any
3-40 combination of those sources, to pay for any authorized district
3-41 purpose.

3-42 Sec. 8066.0502. TAXES FOR BONDS. At the time the district
3-43 issues bonds payable wholly or partly from ad valorem taxes, the
3-44 board shall provide for the annual imposition of a continuing
3-45 direct ad valorem tax, without limit as to rate or amount, while all
3-46 or part of the bonds are outstanding as required and in the manner
3-47 provided by Sections 54.601 and 54.602, Water Code.

3-48 Sec. 8066.0503. BONDS FOR ROAD PROJECTS. At the time of
3-49 issuance, the total principal amount of bonds or other obligations
3-50 issued or incurred to finance road projects and payable from ad
3-51 valorem taxes may not exceed one-fourth of the assessed value of the
3-52 real property in the district.

3-53 SECTION 2. The Montgomery County Municipal Utility District
3-54 No. 174 initially includes all the territory contained in the
3-55 following area:

3-56 Being a tract containing 148.435 acres of land situated in
3-57 the W.T. Dunlavy Survey, Abstract No. 168, the W. Hillhouse Survey,
3-58 Abstract No. 260 and the J. Pierpont Survey, Abstract No. 426, in
3-59 Montgomery County, Texas. Said 148.435 acres being a call 149.849
3-60 acre tract of land recorded in the name of Stacy Elizabeth Smith
3-61 Dudevszky under Montgomery County Clerk's File (M.C.C.F.)
3-62 No. 2005083316, LESS AND EXCEPT a call 1.420 acre tract of land
3-63 recorded in the name of State of Texas under M.C.C.F.
3-64 No. 2010040292. Said 148.435 acres being more particularly
3-65 described by metes and bounds as follows (bearings are referenced
3-66 to the Texas Coordinate System of 1983, Central Zone, based on GPS
3-67 observations):

3-68 BEGINNING at a TXDOT disc found at the southwest corner of the
3-69 herein described tract and northwest corner of said 1.420 acre

4-1 tract, same being on the north Right-of-Way line of F.M. 1774 (width
4-2 varies) and the east line of a call 12.15 acre tract of land
4-3 recorded in the name of James Lamar O'Neal in Volume 745, Page 775
4-4 of the Montgomery County Deed Records (M.C.D.R.);
4-5 THENCE, with said east line and the east line of a call 12.15
4-6 acre tract of land recorded in the name of Edgar Leon O'Neal in
4-7 Volume 745, Page 783 of the M.C.D.R., North 01 degrees 28 minutes 01
4-8 seconds West, a distance of 1,583.43 feet to a 1/2 inch square iron
4-9 rod found;

4-10 THENCE, with the upper south line of said Edgar Leon O'Neal
4-11 12.15 acre tract, North 87 degrees 53 minutes 08 seconds East, a
4-12 distance of 132.46 feet to an iron bolt found;

4-13 THENCE, with aforesaid east line, the east line of those two
4-14 (2) call 5.756 acre tracts of land recorded in the names of Leon
4-15 Charles O'Neal and Norman Leslie O'Neal under M.C.C.F.
4-16 No. 2003039490, and the east line of a call 2.2817 acre tract of
4-17 land recorded in the name of Alice Law Johnson under M.C.C.F.
4-18 No. 98102399, North 01 degrees 56 minutes 32 seconds West, a
4-19 distance of 1,355.78 feet to a 1 inch iron pipe (bent) found on the
4-20 common line between aforesaid Pierpont and Hillhouse Surveys and
4-21 being at the northeast corner of said 2.2817 acre tract;

4-22 THENCE, North 03 degrees 15 minutes 53 seconds West, a
4-23 distance of 454.86 feet to a 5/8 inch iron rod found at the
4-24 southwest corner of a call 7.505 acre tract of land recorded in the
4-25 name of Rondle L. Hartley and Pat A. Hartley under M.C.C.F.
4-26 No. 2000012801;

4-27 THENCE, with the south line of said 7.505 acre tract and a
4-28 call 7.500 acre tract of land recorded in the name of Edmond R.
4-29 Shanks and Amanda D. Shanks under M.C.C.F. No. 2000012802, North 87
4-30 degrees 16 minutes 27 seconds East, a distance of 1,315.32 feet to a
4-31 1/2 inch iron rod found at the southeast corner of said 7.500 acre
4-32 tract;

4-33 THENCE, with the east line of said 7.500 acre tract, North 03
4-34 degrees 14 minutes 39 seconds West, a distance of 496.57 feet to a
4-35 point at a fence corner post found at the northeast corner of said
4-36 7.500 acre tract, the southwest corner of a call 3.0445 acre tract
4-37 of land recorded in the name of Magnolia Castland, Inc. under
4-38 M.C.C.F. No. 99019783, and being at the centerline terminus of
4-39 Sandra Dee Lane, a 60 foot road easement;

4-40 THENCE, with the south line of said 3.0445 acre tract, North
4-41 87 degrees 14 minutes 28 seconds East, at a distance of 30 feet
4-42 passing the east line of said Sandra Dee Lane, and continuing for a
4-43 total distance of 437.37 feet to a 1/2 inch iron rod found at the
4-44 southeast corner of said 3.0445 acre tract and being on the west
4-45 line of a call 12.4782 acre tract of land recorded in the name of
4-46 Charles W. Tatom and Barbara D. Tatom under M.C.C.F. No. 9805419;

4-47 THENCE, with said west line and the west line of a call 3.0690
4-48 acre tract of land recorded in the name of Jessica Manwaring under
4-49 M.C.C.F. No. 2017101365, South 03 degrees 19 minutes 34 seconds
4-50 East, a distance of 496.83 feet to a 5/8 inch capped iron rod
4-51 stamped "GBI Partners" set;

4-52 THENCE, continuing with the west line of said 3.0690 acre
4-53 tract, South 03 degrees 06 minutes 29 seconds East, a distance of
4-54 457.74 feet to a 3/4 inch iron rod found at the northwest corner of a
4-55 call 17.845 acre tract of land recorded in the name of Diane M Daleo
4-56 under M.C.C.F. No. 2011008721 and being on the common line between
4-57 aforesaid Pierpont and Dunlavy Surveys;

4-58 THENCE, with the west line of said 17.845 acre tract and a
4-59 call 8.6122 acre tract of land (styled "Tract 2") recorded in the
4-60 name of DMJ Kachel, LLC under M.C.C.F. No. 2016105309, South 02
4-61 degrees 08 minutes 18 seconds East, a distance of 1,117.06 feet to a
4-62 point in Kachel Lake, said point being the common corner between
4-63 aforesaid 149.849 acre tract, 8.6122 acre tract, and a call 35.151
4-64 acre tract of land recorded in the name of Christopher H. Osborne
4-65 and Gail J. Osborne under M.C.C.F. No. 2012070459;

4-66 THENCE, through and across said Kachel Lake and with a north
4-67 line of said 35.151 acre tract, South 75 degrees 12 minutes 08
4-68 seconds West, a distance of 181.21 feet to a point in said Kachel
4-69 Lake;

5-1 THENCE, with the west line of said 35.151 acre tract, South 02
5-2 degrees 28 minutes 35 seconds West, at a distance of 250.97 feet
5-3 passing a found 1 inch iron pipe for reference, and continuing for a
5-4 total distance of 1,125.43 feet to a 5/8 inch iron rod found at the
5-5 southwest corner of said 35.151 acre tract and the northwest corner
5-6 of Undesignated Reserve "A", Block 1 of Final Plat of Magnolia Road
5-7 Investments, a subdivision recorded in M.C.C.F. No. 2018013113
5-8 (Cabinet 00Z, Sheet 4961);

5-9 THENCE, with the west line of said Undesignated Reserve "A",
5-10 South 07 degrees 40 minutes 10 seconds East, a distance of 1,225.58
5-11 feet to a TXDOT disc found at the southwest corner of said
5-12 Undesignated Reserve "A", the northeast corner of aforesaid 1.420
5-13 acre tract of land and being on the aforesaid north R.O.W. line of
5-14 F.M. 1774, from which point a found TXDOT disc bears South 74
5-15 degrees 45 minutes 48 seconds East, a distance of 243.20 feet;

5-16 THENCE, with said north R.O.W. line and the north line of said
5-17 1.420 acre tract, the following two (2) courses:

5-18 1.) North 74 degrees 45 minutes 48 seconds West, a distance
5-19 of 733.80 feet to a TXDOT disc found;

5-20 2.) North 75 degrees 03 minutes 25 seconds West, at a
5-21 distance of 136.05 feet passing a found TXDOT disc for reference at
5-22 the common line between aforesaid Dunlavy and Hillhouse Surveys,
5-23 and continuing for a total distance of 1,107.06 feet to the POINT OF
5-24 BEGINNING and containing 148.435 acres of land, more or less.

5-25 SECTION 3. (a) The legal notice of the intention to
5-26 introduce this Act, setting forth the general substance of this
5-27 Act, has been published as provided by law, and the notice and a
5-28 copy of this Act have been furnished to all persons, agencies,
5-29 officials, or entities to which they are required to be furnished
5-30 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-31 Government Code.

5-32 (b) The governor, one of the required recipients, has
5-33 submitted the notice and Act to the Texas Commission on
5-34 Environmental Quality.

5-35 (c) The Texas Commission on Environmental Quality has filed
5-36 its recommendations relating to this Act with the governor, the
5-37 lieutenant governor, and the speaker of the house of
5-38 representatives within the required time.

5-39 (d) All requirements of the constitution and laws of this
5-40 state and the rules and procedures of the legislature with respect
5-41 to the notice, introduction, and passage of this Act are fulfilled
5-42 and accomplished.

5-43 SECTION 4. (a) If this Act does not receive a two-thirds
5-44 vote of all the members elected to each house, Subchapter C, Chapter
5-45 8066, Special District Local Laws Code, as added by Section 1 of
5-46 this Act, is amended by adding Section 8066.0306 to read as follows:

5-47 Sec. 8066.0306. NO EMINENT DOMAIN POWER. The district may
5-48 not exercise the power of eminent domain.

5-49 (b) This section is not intended to be an expression of a
5-50 legislative interpretation of the requirements of Section 17(c),
5-51 Article I, Texas Constitution.

5-52 SECTION 5. This Act takes effect immediately if it receives
5-53 a vote of two-thirds of all the members elected to each house, as
5-54 provided by Section 39, Article III, Texas Constitution. If this
5-55 Act does not receive the vote necessary for immediate effect, this
5-56 Act takes effect September 1, 2019.

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