

By: Nichols

S.B. No. 2481

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Montgomery County  
Municipal Utility District No. 164; providing authority to issue  
bonds; providing authority to impose a tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws  
Code, is amended by adding Chapter 8096 to read as follows:

CHAPTER 8096. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 164

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8096.0101. DEFINITIONS. In this chapter:

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

(2) "District" means the Montgomery County Municipal  
Utility District No. 164.

Sec. 8096.0102. NATURE AND PURPOSES OF DISTRICT. (a) The  
district is a municipal utility district created under Section 59,  
Article XVI, Texas Constitution.

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

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

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

1                   SUBCHAPTER B. POWERS AND DUTIES

2           Sec. 8096.0201. GENERAL POWERS AND DUTIES. The district  
3 has the powers and duties necessary to accomplish the purposes for  
4 which the district is created.

5           Sec. 8096.0202. MUNICIPAL UTILITY DISTRICT POWERS AND  
6 DUTIES. The district has the powers and duties provided by the  
7 general law of this state, including Chapters 49 and 54, Water Code,  
8 applicable to municipal utility districts created under Section 59,  
9 Article XVI, Texas Constitution.

10          Sec. 8096.0203. AUTHORITY FOR ROAD PROJECTS. Under Section  
11 52, Article III, Texas Constitution, the district may design,  
12 acquire, construct, finance, issue bonds for, improve, operate,  
13 maintain, and convey to this state, a county, or a municipality for  
14 operation and maintenance macadamized, graveled, or paved roads, or  
15 improvements, including storm drainage, in aid of those roads.

16          Sec. 8096.0204. ROAD STANDARDS AND REQUIREMENTS. (a) A  
17 road project must meet all applicable construction standards,  
18 zoning and subdivision requirements, and regulations of each  
19 municipality in whose corporate limits or extraterritorial  
20 jurisdiction the road project is located.

21          (b) If a road project is not located in the corporate limits  
22 or extraterritorial jurisdiction of a municipality, the road  
23 project must meet all applicable construction standards,  
24 subdivision requirements, and regulations of each county in which  
25 the road project is located.

26          (c) If the state will maintain and operate the road, the  
27 Texas Transportation Commission must approve the plans and

1 specifications of the road project.

2 Sec. 8096.0205. DIVISION OF DISTRICT. (a) The district  
3 may be divided into two or more new districts only if the district:

4 (1) has never issued any bonds; and

5 (2) is not imposing ad valorem taxes.

6 (b) This chapter applies to any new district created by the  
7 division of the district, and a new district has all the powers and  
8 duties of the district.

9 (c) Any new district created by the division of the district  
10 may not, at the time the new district is created, contain any land  
11 outside the area of the district as it existed on January 1, 2019.

12 (d) The board, on its own motion or on receipt of a petition  
13 signed by the owner or owners of a majority of the assessed value of  
14 the real property in the district, may adopt an order dividing the  
15 district.

16 (e) The board may adopt an order dividing the district  
17 before or after the date the board holds an election under Section  
18 49.102, Water Code, to confirm the creation of the district.

19 (f) An order dividing the district shall:

20 (1) name each new district;

21 (2) include the metes and bounds description of the  
22 territory of each new district;

23 (3) appoint temporary directors for each new district;

24 and

25 (4) provide for the division of assets and liabilities  
26 between or among the new districts.

27 (g) On or before the 30th day after the date of adoption of

1 an order dividing the district, the district shall file the order  
2 with the commission and record the order in the real property  
3 records of each county in which the district is located.

4 (h) Any new district created by the division of the district  
5 shall hold a confirmation and directors' election as required by  
6 Section 49.102, Water Code.

7 (i) If the creation of the new district is confirmed, the  
8 new district shall provide the election date and results to the  
9 Texas Commission on Environmental Quality.

10 (j) Any new district created by the division of the district  
11 must hold an election as required by Section 49.107, Water Code, and  
12 this chapter to obtain voter approval before the district may  
13 impose a maintenance tax or issue bonds payable wholly or partly  
14 from ad valorem taxes.

15 (k) Municipal consent to the creation of the district and to  
16 the inclusion of land in the district acts as municipal consent to  
17 the creation of any new district created by the division of the  
18 district and to the inclusion of land in the new district.

19 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

20 Sec. 8096.0301. AUTHORITY TO ISSUE BONDS AND OTHER  
21 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds  
22 or other obligations payable wholly or partly from ad valorem  
23 taxes, impact fees, revenue, contract payments, grants, or other  
24 district money, or any combination of those sources, to pay for a  
25 road project authorized by Section 8096.0203.

26 (b) The district may not issue bonds payable from ad valorem  
27 taxes to finance a road project unless the issuance is approved by a

1 vote of a two-thirds majority of the district voters voting at an  
2 election held for that purpose.

3 (c) At the time of issuance, the total principal amount of  
4 bonds or other obligations issued or incurred to finance road  
5 projects and payable from ad valorem taxes may not exceed  
6 one-fourth of the assessed value of the real property in the  
7 district.

8 Sec. 8096.0302. TAXES FOR BONDS. At the time the district  
9 issues bonds payable wholly or partly from ad valorem taxes, the  
10 board shall provide for the annual imposition of a continuing  
11 direct ad valorem tax, without limit as to rate or amount, while all  
12 or part of the bonds are outstanding as required and in the manner  
13 provided by Sections 54.601 and 54.602, Water Code.

14 SECTION 2. The Montgomery County Municipal Utility District  
15 No. 164 retains all the rights, powers, privileges, authority,  
16 duties, and functions that it had before the effective date of this  
17 Act.

18 SECTION 3. (a) The legislature validates and confirms all  
19 governmental acts and proceedings of the Montgomery County  
20 Municipal Utility District No. 164 that were taken before the  
21 effective date of this Act.

22 (b) This section does not apply to any matter that on the  
23 effective date of this Act:

24 (1) is involved in litigation if the litigation  
25 ultimately results in the matter being held invalid by a final court  
26 judgment; or

27 (2) has been held invalid by a final court judgment.

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

8           (b) The governor, one of the required recipients, has  
9 submitted the notice and Act to the Texas Commission on  
10 Environmental Quality.

11           (c) The Texas Commission on Environmental Quality has filed  
12 its recommendations relating to this Act with the governor, the  
13 lieutenant governor, and the speaker of the house of  
14 representatives within the required time.

15           (d) All requirements of the constitution and laws of this  
16 state and the rules and procedures of the legislature with respect  
17 to the notice, introduction, and passage of this Act are fulfilled  
18 and accomplished.

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