

1-1 By: Nichols S.B. No. 2481  
1-2 (In the Senate - Filed March 27, 2019; March 27, 2019, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 17, 2019, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; April 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Lucio	X		
1-9	Schwertner	X		
1-10	Alvarado	X		
1-11	Campbell	X		
1-12	Fallon	X		
1-13	Menéndez	X		
1-14	Nichols	X		

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

1-17 relating to the powers and duties of the Montgomery County  
1-18 Municipal Utility District No. 164; providing authority to issue  
1-19 bonds; providing authority to impose a tax.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
1-22 Code, is amended by adding Chapter 8096 to read as follows:

1-23 CHAPTER 8096. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 164

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 8096.0101. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the district's board of directors.

1-27 (2) "District" means the Montgomery County Municipal  
1-28 Utility District No. 164.

1-29 Sec. 8096.0102. NATURE AND PURPOSES OF DISTRICT. (a) The  
1-30 district is a municipal utility district created under Section 59,  
1-31 Article XVI, Texas Constitution.

1-32 (b) The district is created to accomplish the purposes of:

1-33 (1) a municipal utility district as provided by  
1-34 general law and Section 59, Article XVI, Texas Constitution; and

1-35 (2) Section 52, Article III, Texas Constitution, that  
1-36 relate to the construction, acquisition, improvement, operation,  
1-37 or maintenance of macadamized, graveled, or paved roads, or  
1-38 improvements, including storm drainage, in aid of those roads.

1-39 SUBCHAPTER B. POWERS AND DUTIES

1-40 Sec. 8096.0201. GENERAL POWERS AND DUTIES. The district  
1-41 has the powers and duties necessary to accomplish the purposes for  
1-42 which the district is created.

1-43 Sec. 8096.0202. MUNICIPAL UTILITY DISTRICT POWERS AND  
1-44 DUTIES. The district has the powers and duties provided by the  
1-45 general law of this state, including Chapters 49 and 54, Water Code,  
1-46 applicable to municipal utility districts created under Section 59,  
1-47 Article XVI, Texas Constitution.

1-48 Sec. 8096.0203. AUTHORITY FOR ROAD PROJECTS. Under Section  
1-49 52, Article III, Texas Constitution, the district may design,  
1-50 acquire, construct, finance, issue bonds for, improve, operate,  
1-51 maintain, and convey to this state, a county, or a municipality for  
1-52 operation and maintenance macadamized, graveled, or paved roads, or  
1-53 improvements, including storm drainage, in aid of those roads.

1-54 Sec. 8096.0204. ROAD STANDARDS AND REQUIREMENTS. (a) A  
1-55 road project must meet all applicable construction standards,  
1-56 zoning and subdivision requirements, and regulations of each  
1-57 municipality in whose corporate limits or extraterritorial  
1-58 jurisdiction the road project is located.

1-59 (b) If a road project is not located in the corporate limits  
1-60 or extraterritorial jurisdiction of a municipality, the road  
1-61 project must meet all applicable construction standards,

2-1 subdivision requirements, and regulations of each county in which  
 2-2 the road project is located.  
 2-3 (c) If the state will maintain and operate the road, the  
 2-4 Texas Transportation Commission must approve the plans and  
 2-5 specifications of the road project.  
 2-6 Sec. 8096.0205. DIVISION OF DISTRICT. (a) The district  
 2-7 may be divided into two or more new districts only if the district:  
 2-8 (1) has never issued any bonds; and  
 2-9 (2) is not imposing ad valorem taxes.  
 2-10 (b) This chapter applies to any new district created by the  
 2-11 division of the district, and a new district has all the powers and  
 2-12 duties of the district.  
 2-13 (c) Any new district created by the division of the district  
 2-14 may not, at the time the new district is created, contain any land  
 2-15 outside the area of the district as it existed on January 1, 2019.  
 2-16 (d) The board, on its own motion or on receipt of a petition  
 2-17 signed by the owner or owners of a majority of the assessed value of  
 2-18 the real property in the district, may adopt an order dividing the  
 2-19 district.  
 2-20 (e) The board may adopt an order dividing the district  
 2-21 before or after the date the board holds an election under Section  
 2-22 49.102, Water Code, to confirm the creation of the district.  
 2-23 (f) An order dividing the district shall:  
 2-24 (1) name each new district;  
 2-25 (2) include the metes and bounds description of the  
 2-26 territory of each new district;  
 2-27 (3) appoint temporary directors for each new district;  
 2-28 and  
 2-29 (4) provide for the division of assets and liabilities  
 2-30 between or among the new districts.  
 2-31 (g) On or before the 30th day after the date of adoption of  
 2-32 an order dividing the district, the district shall file the order  
 2-33 with the commission and record the order in the real property  
 2-34 records of each county in which the district is located.  
 2-35 (h) Any new district created by the division of the district  
 2-36 shall hold a confirmation and directors' election as required by  
 2-37 Section 49.102, Water Code.  
 2-38 (i) If the creation of the new district is confirmed, the  
 2-39 new district shall provide the election date and results to the  
 2-40 Texas Commission on Environmental Quality.  
 2-41 (j) Any new district created by the division of the district  
 2-42 must hold an election as required by Section 49.107, Water Code, and  
 2-43 this chapter to obtain voter approval before the district may  
 2-44 impose a maintenance tax or issue bonds payable wholly or partly  
 2-45 from ad valorem taxes.  
 2-46 (k) Municipal consent to the creation of the district and to  
 2-47 the inclusion of land in the district acts as municipal consent to  
 2-48 the creation of any new district created by the division of the  
 2-49 district and to the inclusion of land in the new district.  
 2-50 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS  
 2-51 Sec. 8096.0301. AUTHORITY TO ISSUE BONDS AND OTHER  
 2-52 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds  
 2-53 or other obligations payable wholly or partly from ad valorem  
 2-54 taxes, impact fees, revenue, contract payments, grants, or other  
 2-55 district money, or any combination of those sources, to pay for a  
 2-56 road project authorized by Section 8096.0203.  
 2-57 (b) The district may not issue bonds payable from ad valorem  
 2-58 taxes to finance a road project unless the issuance is approved by a  
 2-59 vote of a two-thirds majority of the district voters voting at an  
 2-60 election held for that purpose.  
 2-61 (c) At the time of issuance, the total principal amount of  
 2-62 bonds or other obligations issued or incurred to finance road  
 2-63 projects and payable from ad valorem taxes may not exceed  
 2-64 one-fourth of the assessed value of the real property in the  
 2-65 district.  
 2-66 Sec. 8096.0302. TAXES FOR BONDS. At the time the district  
 2-67 issues bonds payable wholly or partly from ad valorem taxes, the  
 2-68 board shall provide for the annual imposition of a continuing  
 2-69 direct ad valorem tax, without limit as to rate or amount, while all

3-1 or part of the bonds are outstanding as required and in the manner  
3-2 provided by Sections 54.601 and 54.602, Water Code.

3-3 SECTION 2. The Montgomery County Municipal Utility District  
3-4 No. 164 retains all the rights, powers, privileges, authority,  
3-5 duties, and functions that it had before the effective date of this  
3-6 Act.

3-7 SECTION 3. (a) The legislature validates and confirms all  
3-8 governmental acts and proceedings of the Montgomery County  
3-9 Municipal Utility District No. 164 that were taken before the  
3-10 effective date of this Act.

3-11 (b) This section does not apply to any matter that on the  
3-12 effective date of this Act:

3-13 (1) is involved in litigation if the litigation  
3-14 ultimately results in the matter being held invalid by a final court  
3-15 judgment; or

3-16 (2) has been held invalid by a final court judgment.

3-17 SECTION 4. (a) The legal notice of the intention to  
3-18 introduce this Act, setting forth the general substance of this  
3-19 Act, has been published as provided by law, and the notice and a  
3-20 copy of this Act have been furnished to all persons, agencies,  
3-21 officials, or entities to which they are required to be furnished  
3-22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3-23 Government Code.

3-24 (b) The governor, one of the required recipients, has  
3-25 submitted the notice and Act to the Texas Commission on  
3-26 Environmental Quality.

3-27 (c) The Texas Commission on Environmental Quality has filed  
3-28 its recommendations relating to this Act with the governor, the  
3-29 lieutenant governor, and the speaker of the house of  
3-30 representatives within the required time.

3-31 (d) All requirements of the constitution and laws of this  
3-32 state and the rules and procedures of the legislature with respect  
3-33 to the notice, introduction, and passage of this Act are fulfilled  
3-34 and accomplished.

3-35 SECTION 5. This Act takes effect immediately if it receives  
3-36 a vote of two-thirds of all the members elected to each house, as  
3-37 provided by Section 39, Article III, Texas Constitution. If this  
3-38 Act does not receive the vote necessary for immediate effect, this  
3-39 Act takes effect September 1, 2019.

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