

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bell of Montgomery

H.B. No. 4657

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Montgomery County Management  
3 District No. 1; providing authority to issue bonds; providing  
4 authority to impose assessments, fees, and taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
7 Code, is amended by adding Chapter 3979 to read as follows:

8 CHAPTER 3979. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 1

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3979.0101. DEFINITIONS. In this chapter:

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

12 (2) "Commission" means the Texas Commission on  
13 Environmental Quality.

14 (3) "County" means Montgomery County.

15 (4) "Director" means a board member.

16 (5) "District" means the Montgomery County Management  
17 District No. 1.

18 Sec. 3979.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

19 (a) The district is a special district created under Section 59,  
20 Article XVI, Texas Constitution.

21 (b) The district is a governmental unit, as provided by  
22 Section 375.004, Local Government Code.

23 (c) This chapter does not waive any governmental or  
24 sovereign immunity from suit, liability, or judgment that would

1 otherwise apply to the district.

2 Sec. 3979.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
3 creation of the district is essential to accomplish the purposes of  
4 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
5 Texas Constitution, and other public purposes stated in this  
6 chapter.

7 (b) By creating the district, the legislature has  
8 established a program to accomplish the public purposes set out in  
9 Sections 52 and 52-a, Article III, Texas Constitution.

10 (c) The creation of the district is necessary to promote,  
11 develop, encourage, and maintain employment, commerce,  
12 transportation, housing, tourism, recreation, the arts,  
13 entertainment, economic development, safety, and the public  
14 welfare in the district.

15 (d) This chapter and the creation of the district may not be  
16 interpreted to relieve the county or a municipality from providing  
17 the level of services provided as of the effective date of the Act  
18 enacting this chapter to the area in the district. The district is  
19 created to supplement and not to supplant county or municipal  
20 services provided in the district.

21 Sec. 3979.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

22 (a) All land and other property included in the district will  
23 benefit from the improvements and services to be provided by the  
24 district under powers conferred by Sections 52 and 52-a, Article  
25 III, and Section 59, Article XVI, Texas Constitution, and other  
26 powers granted under this chapter.

27 (b) The district is created to serve a public use and

1 benefit.

2 (c) The creation of the district is in the public interest  
3 and is essential to further the public purposes of:

4 (1) developing and diversifying the economy of the  
5 state;

6 (2) eliminating unemployment and underemployment; and

7 (3) developing or expanding transportation and  
8 commerce.

9 (d) The district will:

10 (1) promote the health, safety, and general welfare of  
11 residents, employers, potential employees, employees, visitors,  
12 and consumers in the district, and of the public;

13 (2) provide needed funding for the district to  
14 preserve, maintain, and enhance the economic health and vitality of  
15 the district territory as a community and business center;

16 (3) promote the health, safety, welfare, and enjoyment  
17 of the public by providing pedestrian ways, road facilities,  
18 transit facilities, parking facilities, recreational facilities,  
19 and public art objects and by landscaping and developing certain  
20 areas in the district, which are necessary for the restoration,  
21 preservation, and enhancement of scenic beauty; and

22 (4) provide for water, wastewater, and drainage  
23 facilities for the district.

24 (e) Pedestrian ways along or across a street, whether at  
25 grade or above or below the surface, and street lighting, street  
26 landscaping, parking, and street art objects are parts of and  
27 necessary components of a street and are considered to be a street

1 or road improvement.

2 (f) The district will not act as the agent or  
3 instrumentality of any private interest even though the district  
4 will benefit many private interests as well as the public.

5 Sec. 3979.0105. INITIAL DISTRICT TERRITORY. (a) The  
6 district is initially composed of the territory described by  
7 Section 2 of the Act enacting this chapter.

8 (b) The boundaries and field notes contained in Section 2 of  
9 the Act enacting this chapter form a closure. A mistake in the  
10 field notes or in copying the field notes in the legislative process  
11 does not affect the district's:

12 (1) organization, existence, or validity;

13 (2) right to issue any type of bonds for the purposes  
14 for which the district is created or to pay the principal of and  
15 interest on the bonds;

16 (3) right to impose or collect an assessment or tax; or

17 (4) legality or operation.

18 Sec. 3979.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
19 All or any part of the area of the district is eligible to be  
20 included in:

21 (1) a tax increment reinvestment zone created under  
22 Chapter 311, Tax Code;

23 (2) a tax abatement reinvestment zone created under  
24 Chapter 312, Tax Code;

25 (3) an enterprise zone created under Chapter 2303,  
26 Government Code; or

27 (4) an industrial district created under Chapter 42,

1 Local Government Code.

2 Sec. 3979.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
3 DISTRICTS LAW. Except as otherwise provided by this chapter,  
4 Chapter 375, Local Government Code, applies to the district.

5 Sec. 3979.0108. LIBERAL CONSTRUCTION OF CHAPTER. This  
6 chapter shall be liberally construed in conformity with the  
7 findings and purposes stated in this chapter.

8 Sec. 3979.0109. CONFLICTS OF LAW. This chapter prevails  
9 over any provision of general law, including a provision of Chapter  
10 375, Local Government Code, or Chapter 49, Water Code, that is in  
11 conflict or inconsistent with this chapter.

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 3979.0201. GOVERNING BODY; TERMS. (a) The district is  
14 governed by a board of five directors elected or appointed as  
15 provided by this chapter and Subchapter D, Chapter 49, Water Code.

16 (b) Except as provided by Section 3979.0203, directors  
17 serve staggered four-year terms.

18 Sec. 3979.0202. COMPENSATION. A director is entitled to  
19 receive fees of office and reimbursement for actual expenses as  
20 provided by Section 49.060, Water Code. Sections 375.069 and  
21 375.070, Local Government Code, do not apply to the board.

22 Sec. 3979.0203. TEMPORARY DIRECTORS. (a) On or after the  
23 effective date of the Act enacting this chapter, the owner or owners  
24 of a majority of the assessed value of the real property in the  
25 district according to the most recent certified tax appraisal roll  
26 for the county may submit a petition to the commission requesting  
27 that the commission appoint as temporary directors the five persons

1 named in the petition. The commission shall appoint as temporary  
2 directors the five persons named in the petition.

3 (b) The temporary directors shall hold an election to elect  
4 five permanent directors as provided by Section 49.102, Water Code.

5 (c) Temporary directors serve until the earlier of:

6 (1) the date permanent directors are elected under  
7 Subsection (b); or

8 (2) the fourth anniversary of the effective date of  
9 the Act enacting this chapter.

10 (d) If permanent directors have not been elected under  
11 Subsection (b) and the terms of the temporary directors have  
12 expired, successor temporary directors shall be appointed or  
13 reappointed as provided by Subsection (e) to serve terms that  
14 expire on the earlier of:

15 (1) the date permanent directors are elected under  
16 Subsection (b); or

17 (2) the fourth anniversary of the date of the  
18 appointment or reappointment.

19 (e) If Subsection (d) applies, the owner or owners of a  
20 majority of the assessed value of the real property in the district  
21 according to the most recent certified tax appraisal roll for the  
22 county may submit a petition to the commission requesting that the  
23 commission appoint as successor temporary directors the five  
24 persons named in the petition. The commission shall appoint as  
25 successor temporary directors the five persons named in the  
26 petition.

27 Sec. 3979.0204. DISQUALIFICATION OF DIRECTORS. Section

1 49.052, Water Code, applies to the members of the board.

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3979.0301. GENERAL POWERS AND DUTIES. The district  
4 has the powers and duties necessary to accomplish the purposes for  
5 which the district is created.

6 Sec. 3979.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)  
7 The district, using any money available to the district for the  
8 purpose, may provide, design, construct, acquire, improve,  
9 relocate, operate, maintain, or finance an improvement project or  
10 service authorized under this chapter or Chapter 375, Local  
11 Government Code.

12 (b) The district may contract with a governmental or private  
13 entity to carry out an action under Subsection (a).

14 (c) The implementation of a district project or service is a  
15 governmental function or service for the purposes of Chapter 791,  
16 Government Code.

17 Sec. 3979.0303. RECREATIONAL FACILITIES. The district may  
18 develop or finance recreational facilities as authorized by Chapter  
19 375, Local Government Code, Sections 52 and 52-a, Article III,  
20 Texas Constitution, Section 59, Article XVI, Texas Constitution,  
21 and any other law that applies to the district.

22 Sec. 3979.0304. AUTHORITY FOR ROAD PROJECTS. Under Section  
23 52, Article III, Texas Constitution, the district may own, operate,  
24 maintain, design, acquire, construct, finance, issue bonds, notes,  
25 or other obligations for, improve, and convey to this state, a  
26 county, or a municipality for ownership, operation, and maintenance  
27 macadamized, graveled, or paved roads or improvements, including

1 storm drainage, in aid of those roads.

2 Sec. 3979.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3 (a) The district may convey a road project authorized by Section  
4 3979.0304 to:

5 (1) a municipality or county that will operate and  
6 maintain the road if the municipality or county has approved the  
7 plans and specifications of the road project; or

8 (2) the state if the state will operate and maintain  
9 the road and the Texas Transportation Commission has approved the  
10 plans and specifications of the road project.

11 (b) Except as provided by Subsection (c), the district shall  
12 operate and maintain a road project authorized by Section 3979.0304  
13 that the district implements and does not convey to a municipality,  
14 a county, or this state under Subsection (a).

15 (c) The district may agree in writing with a municipality, a  
16 county, or this state to assign operation and maintenance duties to  
17 the district, the municipality, the county, or this state in a  
18 manner other than the manner described in Subsections (a) and (b).

19 Sec. 3979.0306. NONPROFIT CORPORATION. (a) The board by  
20 resolution may authorize the creation of a nonprofit corporation to  
21 assist and act for the district in implementing a project or  
22 providing a service authorized by this chapter.

23 (b) The nonprofit corporation:

24 (1) has each power of and is considered to be a local  
25 government corporation created under Subchapter D, Chapter 431,  
26 Transportation Code; and

27 (2) may implement any project and provide any service



1 authorized by this chapter.

2 (c) The board shall appoint the board of directors of the  
3 nonprofit corporation. The board of directors of the nonprofit  
4 corporation shall serve in the same manner as the board of directors  
5 of a local government corporation created under Subchapter D,  
6 Chapter 431, Transportation Code, except that a board member is not  
7 required to reside in the district.

8 Sec. 3979.0307. LAW ENFORCEMENT SERVICES. Section 49.216,  
9 Water Code, applies to the district.

10 Sec. 3979.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
11 The district may join and pay dues to a charitable or nonprofit  
12 organization that performs a service or provides an activity  
13 consistent with the furtherance of a district purpose.

14 Sec. 3979.0309. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
15 district may engage in activities that accomplish the economic  
16 development purposes of the district.

17 (b) The district may establish and provide for the  
18 administration of one or more programs to promote state or local  
19 economic development and to stimulate business and commercial  
20 activity in the district, including programs to:

21 (1) make loans and grants of public money; and

22 (2) provide district personnel and services.

23 (c) The district may create economic development programs  
24 and exercise the economic development powers that:

25 (1) Chapter 380, Local Government Code, provides to a  
26 municipality; and

27 (2) Subchapter A, Chapter 1509, Government Code,

1 provides to a municipality.

2 Sec. 3979.0310. STRATEGIC PARTNERSHIP AGREEMENT. The  
3 district may negotiate and enter into a written strategic  
4 partnership agreement with a municipality under Section 43.0751,  
5 Local Government Code.

6 Sec. 3979.0311. REGIONAL PARTICIPATION AGREEMENT. The  
7 district may negotiate and enter into a written regional  
8 participation agreement with a municipality under Section 43.0754,  
9 Local Government Code.

10 Sec. 3979.0312. PARKING FACILITIES. (a) The district may  
11 acquire, lease as lessor or lessee, construct, develop, own,  
12 operate, and maintain parking facilities or a system of parking  
13 facilities, including lots, garages, parking terminals, or other  
14 structures or accommodations for parking motor vehicles off the  
15 streets and related appurtenances.

16 (b) The district's parking facilities serve the public  
17 purposes of the district and are owned, used, and held for a public  
18 purpose even if leased or operated by a private entity for a term of  
19 years.

20 (c) The district's parking facilities are parts of and  
21 necessary components of a street and are considered to be a street  
22 or road improvement.

23 (d) The development and operation of the district's parking  
24 facilities may be considered an economic development program.

25 Sec. 3979.0313. ADDING OR EXCLUDING LAND. (a) The district  
26 may add land as provided by Subchapter J, Chapter 49, Water Code.

27 (b) The district may exclude land as provided by Subchapter

1 J, Chapter 49, Water Code. Section 375.044(b), Local Government  
2 Code, does not apply to the district.

3 (c) The district may include and exclude land as provided by  
4 Sections 54.739-54.747, Water Code. A reference in those sections  
5 to a "tax" means an ad valorem tax for the purposes of this  
6 subsection.

7 (d) If the district adopts a sales and use tax authorized at  
8 an election held under Section 3979.0602 and subsequently includes  
9 new territory in the district under this section, the district:

10 (1) is not required to hold another election to  
11 approve the imposition of the sales and use tax in the included  
12 territory; and

13 (2) shall impose the sales and use tax in the included  
14 territory as provided by Chapter 321, Tax Code.

15 (e) If the district adopts a sales and use tax authorized at  
16 an election held under Section 3979.0602 and subsequently excludes  
17 territory in the district under this section, the sales and use tax  
18 is inapplicable to the excluded territory, as provided by Chapter  
19 321, Tax Code, but is applicable to the territory remaining in the  
20 district.

21 Sec. 3979.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
22 board by resolution shall establish the number of directors'  
23 signatures and the procedure required for a disbursement or  
24 transfer of district money.

25 Sec. 3979.0315. AUDIT EXEMPTION. (a) The district may  
26 elect to complete an annual financial report in lieu of an annual  
27 audit under Section 375.096(a)(6), Local Government Code, if:

1           (1) the district had no bonds or other long-term (more  
2 than one year) liabilities outstanding during the fiscal period;

3           (2) the district did not have gross receipts from  
4 operations, loans, taxes, assessments, or contributions in excess  
5 of \$250,000 during the fiscal period; and

6           (3) the district's cash and temporary investments were  
7 not in excess of \$250,000 during the fiscal period.

8           (b) Each annual financial report prepared in accordance  
9 with this section must be open to public inspection and accompanied  
10 by an affidavit signed by a duly authorized representative of the  
11 district attesting to the accuracy and authenticity of the  
12 financial report.

13           (c) The annual financial report and affidavit shall be  
14 substantially similar in form to the annual financial report and  
15 affidavit forms prescribed by the executive director of the  
16 commission under Section 49.198, Water Code.

17           Sec. 3979.0316. NO EMINENT DOMAIN POWER. The district may  
18 not exercise the power of eminent domain.

19                           SUBCHAPTER D. ASSESSMENTS

20           Sec. 3979.0401. PETITION REQUIRED FOR FINANCING SERVICES  
21 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
22 service or improvement project with assessments under this chapter  
23 unless a written petition requesting that service or improvement  
24 has been filed with the board.

25           (b) A petition filed under Subsection (a) must be signed by  
26 the owners of a majority of the assessed value of real property in  
27 the district subject to assessment according to the most recent

1 certified tax appraisal roll for the county.

2 Sec. 3979.0402. METHOD OF NOTICE FOR HEARING. The district  
3 may mail the notice required by Section 375.115(c), Local  
4 Government Code, by certified or first class United States mail.  
5 The board shall determine the method of notice.

6 Sec. 3979.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
7 The board by resolution may impose and collect an assessment for any  
8 purpose authorized by this chapter in all or any part of the  
9 district.

10 (b) An assessment, a reassessment, or an assessment  
11 resulting from an addition to or correction of the assessment roll  
12 by the district, penalties and interest on an assessment or  
13 reassessment, an expense of collection, and reasonable attorney's  
14 fees incurred by the district:

15 (1) are a first and prior lien against the property  
16 assessed;

17 (2) are superior to any other lien or claim other than  
18 a lien or claim for county, school district, or municipal ad valorem  
19 taxes; and

20 (3) are the personal liability of and a charge against  
21 the owners of the property even if the owners are not named in the  
22 assessment proceedings.

23 (c) The lien is effective from the date of the board's  
24 resolution imposing the assessment until the date the assessment is  
25 paid. The board may enforce the lien in the same manner that the  
26 board may enforce an ad valorem tax lien against real property.

27 (d) The board may make a correction to or deletion from the

1 assessment roll that does not increase the amount of assessment of  
2 any parcel of land without providing notice and holding a hearing in  
3 the manner required for additional assessments.

4 SUBCHAPTER E. TAXES AND BONDS

5 Sec. 3979.0501. TAX ELECTION REQUIRED. The district must  
6 hold an election in the manner provided by Chapter 49, Water Code,  
7 or, if applicable, Chapter 375, Local Government Code, to obtain  
8 voter approval before the district may impose an ad valorem tax.

9 Sec. 3979.0502. OPERATION AND MAINTENANCE TAX. (a) If  
10 authorized by a majority of the district voters voting at an  
11 election under Section 3979.0501, the district may impose an  
12 operation and maintenance tax on taxable property in the district  
13 in the manner provided by Section 49.107, Water Code, for any  
14 district purpose, including to:

15 (1) maintain and operate the district;

16 (2) construct or acquire improvements; or

17 (3) provide a service.

18 (b) The board shall determine the operation and maintenance  
19 tax rate. The rate may not exceed the rate approved at the  
20 election.

21 (c) Section 49.107(h), Water Code, does not apply to the  
22 district.

23 Sec. 3979.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
24 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
25 terms determined by the board.

26 (b) The district, by competitive bid or negotiated sale, may  
27 issue bonds, notes, or other obligations payable wholly or partly

1 from ad valorem taxes, assessments, impact fees, revenue, contract  
2 payments, grants, or other district money, or any combination of  
3 those sources of money, to pay for any authorized district purpose.

4 (c) The limitation on the outstanding principal amount of  
5 bonds, notes, or other obligations provided by Section 49.4645,  
6 Water Code, does not apply to the district.

7 Sec. 3979.0504. BONDS SECURED BY REVENUE OR CONTRACT  
8 PAYMENTS. The district may issue, without an election, bonds  
9 secured by:

10 (1) revenue other than ad valorem taxes, including  
11 contract revenues; or

12 (2) contract payments, provided that the requirements  
13 of Section 49.108, Water Code, have been met.

14 Sec. 3979.0505. BONDS SECURED BY AD VALOREM TAXES;  
15 ELECTIONS. (a) If authorized at an election under Section  
16 3979.0501, the district may issue bonds payable from ad valorem  
17 taxes.

18 (b) Section 375.243, Local Government Code, does not apply  
19 to the district.

20 (c) At the time the district issues bonds payable wholly or  
21 partly from ad valorem taxes, the board shall provide for the annual  
22 imposition of a continuing direct annual ad valorem tax, without  
23 limit as to rate or amount, for each year that all or part of the  
24 bonds are outstanding as required and in the manner provided by  
25 Sections 54.601 and 54.602, Water Code.

26 (d) All or any part of any facilities or improvements that  
27 may be acquired by a district by the issuance of its bonds may be

1 submitted as a single proposition or as several propositions to be  
2 voted on at the election.

3 Sec. 3979.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
4 board may not issue bonds until each municipality in whose  
5 corporate limits or extraterritorial jurisdiction the district is  
6 located has consented by ordinance or resolution to the creation of  
7 the district and to the inclusion of land in the district.

8 (b) This section applies only to the district's first  
9 issuance of bonds payable from ad valorem taxes.

10 SUBCHAPTER F. SALES AND USE TAX

11 Sec. 3979.0601. APPLICABILITY OF CERTAIN TAX CODE  
12 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
13 computation, administration, enforcement, and collection of the  
14 sales and use tax authorized by this subchapter except to the extent  
15 Chapter 321, Tax Code, is inconsistent with this chapter.

16 (b) A reference in Chapter 321, Tax Code, to a municipality  
17 or the governing body of a municipality is a reference to the  
18 district or the board, respectively.

19 Sec. 3979.0602. ELECTION; ADOPTION OF TAX. (a) The  
20 district may adopt a sales and use tax if authorized by a majority  
21 of the voters of the district voting at an election held for that  
22 purpose.

23 (b) The board by order may call an election to authorize the  
24 adoption of the sales and use tax. The election may be held on any  
25 uniform election date and in conjunction with any other district  
26 election.

27 (c) The ballot shall be printed to provide for voting for or



1 against the proposition: "Authorization of a sales and use tax in  
2 the Montgomery County Management District No. 1 at a rate not to  
3 exceed \_\_\_\_\_ percent" (insert rate of one or more increments of  
4 one-eighth of one percent).

5 Sec. 3979.0603. SALES AND USE TAX RATE. (a) On or after the  
6 date the results are declared of an election held under Section  
7 3979.0602, at which the voters approved imposition of the tax  
8 authorized by this subchapter, the board shall determine and adopt  
9 by resolution or order the initial rate of the tax, which must be in  
10 one or more increments of one-eighth of one percent.

11 (b) After the election held under Section 3979.0602, the  
12 board may increase or decrease the rate of the tax by one or more  
13 increments of one-eighth of one percent.

14 (c) The initial rate of the tax or any rate resulting from  
15 subsequent increases or decreases may not exceed the lesser of:

16 (1) the maximum rate authorized by the district voters  
17 at the election held under Section 3979.0602; or

18 (2) a rate that, when added to the rates of all sales  
19 and use taxes imposed by other political subdivisions with  
20 territory in the district, would result in the maximum combined  
21 rate prescribed by Section 321.101(f), Tax Code, at any location in  
22 the district.

23 Sec. 3979.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This  
24 section applies to the district after a municipality annexes part  
25 of the territory in the district and imposes the municipality's  
26 sales and use tax in the annexed territory.

27 (b) If at the time of annexation the district has

1 outstanding debt or other obligations payable wholly or partly from  
2 district sales and use tax revenue, Section 321.102(g), Tax Code,  
3 applies to the district.

4 (c) If at the time of annexation the district does not have  
5 outstanding debt or other obligations payable wholly or partly from  
6 district sales and use tax revenue, the district may:

7 (1) exclude the annexed territory from the district,  
8 if the district has no outstanding debt or other obligations  
9 payable from any source; or

10 (2) reduce the sales and use tax in the annexed  
11 territory by resolution or order of the board to a rate that, when  
12 added to the sales and use tax rate imposed by the municipality in  
13 the annexed territory, is equal to the sales and use tax rate  
14 imposed by the district in the district territory that was not  
15 annexed by the municipality.

16 Sec. 3979.0605. NOTIFICATION OF RATE CHANGE. The board  
17 shall notify the comptroller of any changes made to the tax rate  
18 under this subchapter in the same manner the municipal secretary  
19 provides notice to the comptroller under Section 321.405(b), Tax  
20 Code.

21 Sec. 3979.0606. USE OF REVENUE. Revenue from the sales and  
22 use tax imposed under this subchapter is for the use and benefit of  
23 the district and may be used for any district purpose. The district  
24 may pledge all or part of the revenue to the payment of bonds,  
25 notes, or other obligations, and that pledge of revenue may be in  
26 combination with other revenue, including tax revenue, available to  
27 the district.

1       Sec. 3979.0607. ABOLITION OF TAX. (a) Except as provided  
2 by Subsection (b), the board may abolish the tax imposed under this  
3 subchapter without an election.

4       (b) The board may not abolish the tax imposed under this  
5 subchapter if the district has outstanding debt secured by the tax,  
6 and repayment of the debt would be impaired by the abolition of the  
7 tax.

8       (c) If the board abolishes the tax, the board shall notify  
9 the comptroller of that action in the same manner the municipal  
10 secretary provides notice to the comptroller under Section  
11 321.405(b), Tax Code.

12       (d) If the board abolishes the tax or decreases the tax rate  
13 to zero, a new election to authorize a sales and use tax must be held  
14 under Section 3979.0602 before the district may subsequently impose  
15 the tax.

16       (e) This section does not apply to a decrease in the sales  
17 and use tax authorized under Section 3979.0604(c)(2).

18                   SUBCHAPTER G. HOTEL OCCUPANCY TAX

19       Sec. 3979.0701. DEFINITION. In this subchapter, "hotel"  
20 has the meaning assigned by Section 156.001, Tax Code.

21       Sec. 3979.0702. APPLICABILITY OF CERTAIN TAX CODE  
22 PROVISIONS. (a) For purposes of this subchapter:

23               (1) a reference in Subchapter A, Chapter 352, Tax  
24 Code, to a county is a reference to the district; and

25               (2) a reference in Subchapter A, Chapter 352, Tax  
26 Code, to the commissioners court is a reference to the board.

27       (b) Except as inconsistent with this subchapter, Subchapter

1 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized  
2 by this subchapter, including the collection of the tax, subject to  
3 the limitations prescribed by Sections 352.002(b) and (c), Tax  
4 Code.

5 Sec. 3979.0703. TAX AUTHORIZED; USE OF REVENUE. The  
6 district may impose a hotel occupancy tax for any purpose described  
7 by Section 351.101 or 352.101, Tax Code.

8 Sec. 3979.0704. TAX RATE. (a) The amount of the hotel  
9 occupancy tax may not exceed the lesser of:

10 (1) the maximum rate prescribed by Section 352.003(a),  
11 Tax Code; or

12 (2) a rate that, when added to the rates of all hotel  
13 occupancy taxes imposed by other political subdivisions with  
14 territory in the district and by this state, does not exceed the sum  
15 of the rate prescribed by Section 351.0025(b), Tax Code, plus two  
16 percent.

17 (b) The district tax is in addition to a tax imposed by a  
18 municipality under Chapter 351, Tax Code, or by the county under  
19 Chapter 352, Tax Code.

20 Sec. 3979.0705. INFORMATION. The district may examine and  
21 receive information related to the imposition of hotel occupancy  
22 taxes to the same extent as if the district were a county.

23 Sec. 3979.0706. USE OF REVENUE. The district may use  
24 revenue from the hotel occupancy tax for any district purpose that  
25 is an authorized use of hotel occupancy tax revenue under Chapter  
26 351 or 352, Tax Code. The district may pledge all or part of the  
27 revenue to the payment of bonds, notes, or other obligations and

1 that pledge of revenue may be in combination with other revenue  
2 available to the district.

3 Sec. 3979.0707. ABOLITION OF TAX. (a) Except as provided  
4 by Subsection (b), the board may abolish the tax imposed under this  
5 subchapter.

6 (b) The board may not abolish the tax imposed under this  
7 subchapter if the district has outstanding debt secured by the tax,  
8 and repayment of the debt would be impaired by the abolition of the  
9 tax.

10 SUBCHAPTER I. DISSOLUTION BY BOARD

11 Sec. 3979.0901. DISSOLUTION OF DISTRICT WITH OUTSTANDING  
12 DEBT. (a) The board may dissolve the district regardless of  
13 whether the district has debt. Section 375.264, Local Government  
14 Code, does not apply to the district.

15 (b) If the district has debt when it is dissolved, the  
16 district shall remain in existence solely for the purpose of  
17 discharging its debts. The dissolution is effective when all debts  
18 have been discharged.

19 SECTION 2. The Montgomery County Management District No. 1  
20 initially includes all the territory contained in the following  
21 area:

22 TRACT 1

23 A metes and bounds description of a 279.07 acre tract of land  
24 situated in the Edward Taylor Survey, Abstract Number 554,  
25 Montgomery County, Texas; being all of a called 279.65 acre tract  
26 conveyed to Mitchell Energy Corporation by Surface Deed and  
27 Subsurface Easement dated January 1, 1995 and filed for record

H.B. No. 4657

1 under Clerk's File No. 9509774 of the Montgomery County Official  
2 Public Records of Real Property; said 279.07 acres being more  
3 particularly described as follows with all bearing based on the  
4 Texas Coordinate System of 1983, Central Zone:

5 BEGINNING at a found 1/2-inch iron rod in the apparent west  
6 right-of-way of Cripple Creek Drive North, for an angle corner in  
7 the north line of Lot 1 of Galleria Oaks Estates as shown on a plat  
8 filed for record in Cabinet B, Sheet 79 of the Montgomery County Map  
9 Records and the southeast corner of said 279.65 acres, same being  
10 the southeast corner of the herein described tract, from which a  
11 found 1/2-inch iron rod bears North 77°23'58" East, 38.23 feet;

12 THENCE, South 86°25'45" West, along the north line of Lots 1-  
13 7 of said Galleria Oaks Estates and the south line of said 279.65  
14 acres, passing a found 1-inch iron pipe at 244.84 feet, a found axle  
15 at 544.26 feet, 5.56 feet right, a found 8-inch by 8-inch concrete  
16 monument at 544.89 feet, 4.90 feet right, and a found 1-inch iron  
17 pipe at 1170.28 feet, continuing for a total distance of 1988.05  
18 feet (called 1997.31) to a set 3/4-inch iron rod (with cap stamped  
19 "Jones|Carter Property Corner") in the northeast right-of-way of  
20 the Union Pacific Railroad (formerly I & G.N. Railroad Company)  
21 (width varies) filed for record under Volume 26, Page 351 of the  
22 Montgomery County Deed Records, for the south corner of the herein  
23 described tract, from which a found 8-inch by 8-inch concrete  
24 monument bears South 86°25'45" West, 9.14 feet;

25 THENCE, along the northeast right-of-way of the said Union  
26 Pacific Railroad and the southwest line of the herein described  
27 tract the following five (5) courses and distances:

1           1. North 59°15'02" West, 1127.60 feet, departing the north  
2 line of said Lot 7, to a set 3/4-inch iron rod (with cap stamped  
3 "Jones|Carter Property Corner");

4           2. North 30°44'58" East, 25.00 feet to a set 3/4-inch iron  
5 rod (with cap stamped "Jones|Carter Property Corner");

6           3. North 59°15'02" West, 600.00 feet to a set 3/4-inch iron  
7 rod (with cap stamped "Jones|Carter Property Corner");

8           4. South 30°44'58" West, 25.00 feet to a set 3/4-inch iron  
9 rod (with cap stamped "Jones|Carter Property Corner");

10          5. North 59°15'02" West, 1371.85 feet to a set 3/4-inch iron  
11 rod (with cap stamped "Jones|Carter Property Corner") in the south  
12 line of a called 139.384 acre tract conveyed to Norma Helen  
13 Schoessow by Special Warranty Deed dated October 23, 1995 and filed  
14 for record under Clerk's File No. 9559657 of the Montgomery County  
15 Official Public Records of Real Property, for the west corner of the  
16 herein described tract, from which a found 8-inch by 8-inch  
17 concrete monument bears South 87°11'00" East, 8.79 feet;

18          THENCE, North 87°11'00" East, 2105.63 feet (called 2114.59  
19 feet), departing the northeast right-of-way of the said Union  
20 Pacific Railroad, along the south line of said 139.384 acres, a  
21 north line of said 279.65 acres, and a north line of the herein  
22 described tract to a found 8-inch by 8-inch concrete monument, for  
23 an angle corner for said 139.384 acres, said 279.65 acres, and the  
24 herein described tract;

25          THENCE, North 32°44'24" East, along the southeast line of said  
26 139.384 acres, the northwest line of said 279.65 acres, and the  
27 northwest line of the herein described tract, passing a found

1 1/2-inch iron rod (bent) at 2037.03 feet, 4.74 feet right,  
2 continuing for a total distance of 2056.48 feet to a found 1-inch  
3 pinched top pipe, for an angle corner for said 139.384 acres, said  
4 279.65 acres, and the herein described tract;

5       THENCE, North 02°29'44" West, 2678.96 feet (called 2681.84  
6 feet) along the east line of said 139.384 acres, the west line of  
7 said 279.65 acres, and the west line of the herein described tract  
8 to a found 8-inch by 8-inch concrete monument in the south line of a  
9 called 77.051 acre tract conveyed to Susan Halstead, Vincent S.  
10 Halstead, Steven B. Schoessow, Clarice J. Fore, Curtis F.  
11 Schoessow, Douglas P. Schoessow, Jana B. McNeil and Adrienne Leigh  
12 Fore by Gift Deed dated October 10, 2014 and filed for record under  
13 Clerk's File No. 2014100067 of the Montgomery County Official  
14 Public Records of Real Property, for the northeast corner of said  
15 139.384 acres and the northwest corner of said 279.65 acres, same  
16 being the northwest corner of the herein described tract, from  
17 which a found 1/2-inch iron pipe bears North 01°41'45" East, 0.61  
18 feet;

19       THENCE, North 86°56'34" East, along the south line of said  
20 77.051 acres, the north line of said 279.65 acres, and the north  
21 line of the herein described tract, passing a found 1-inch pinched  
22 top pipe at 298.14 feet, continuing along the north line of said  
23 279.65 acres and the north line of the herein described tract for a  
24 total distance of 715.80 feet to a set 3/4-inch iron rod (with cap  
25 stamped "Jones|Carter Property Corner") for an angle corner;

26       THENCE, North 86°38'34" East, 561.72 feet (called 561.50  
27 feet), continuing along the north line of said 279.65 acres and the



1 north line of the herein described tract to a found 1/2-inch iron  
2 pipe in the apparent east line of the Edward Taylor Survey, Abstract  
3 Number 554 and the apparent west line of the Leander Wescott Survey,  
4 Abstract Number 616, for the southeast corner of a called 10 acre  
5 tract conveyed to Axe Em Investments, L.P. by Special Warranty Deed  
6 dated October 1, 2003 and filed for record under Clerk's File  
7 No. 2003-134286 of the Montgomery County Official Public Records of  
8 Real Property and the northeast corner of said 279.65 acres, same  
9 being the northeast corner of the herein described tract, from  
10 which a found 1/2-inch iron rod bears North 03°18'03" West, 941.08  
11 feet;

12       THENCE, South 02°35'38" East, along the apparent east line of  
13 the Edward Taylor Survey, Abstract Number 554, the apparent west  
14 line of the Leander Wescott Survey, Abstract Number 616, the east  
15 line of said 279.65 acres and the east line of the herein described  
16 tract, passing a found 1/2-inch iron pipe at a distance of 2090.96  
17 feet, 12.71 feet right, a found 5/8-inch iron rod at a distance of  
18 2094.87 feet, 12.74 feet right and a found 3/4-inch iron rod (with  
19 cap stamped "Jones|Carter Property Corner") (previously set for  
20 survey of adjoining acreage) at a distance of 2107.96 feet,  
21 continuing along apparent east line of the Edward Taylor Survey,  
22 Abstract Number 554, the apparent west line of the Robin George  
23 Survey, Abstract Number 470, the apparent west line of the Leander  
24 Wescott Survey, Abstract Number 615, the west line of Block 4 of  
25 Cripple Creek Farms North Section Three (an unrecorded  
26 subdivision), the east line of said 279.65 acres and the east line  
27 of the herein described tract, same being the common line of a

1 Boundary Agreement dated August 11, 1958 filed for record in Volume  
2 458, Page 386 of the Montgomery County Deed Records, passing a found  
3 1/2-inch iron pipe at a distance of 2978.61 feet, 4.46 feet right, a  
4 found 1/2-inch iron pipe at a distance of 3178.70 feet, 4.50 feet  
5 right, a found 5/8-inch iron rod at a distance of 3408.76 feet, 4.96  
6 feet right, a found 1/2-inch iron pipe at a distance of 3638.37  
7 feet, 5.76 feet right, a found 1/2-inch iron pipe at a distance of  
8 3846.97 feet, 5.42 feet right, a found 1/2-inch iron pipe at a  
9 distance of 4046.44 feet, 4.77 feet right, a found 3/4-inch iron rod  
10 at a distance of 4246.56 feet, 4.32 feet right, a found 1/2-inch  
11 iron pipe at a distance of 4446.96 feet, 5.22 feet right, a found  
12 1/2-inch iron pipe at a distance of 4646.61 feet, 6.40 feet right, a  
13 found 5/8-inch iron rod at a distance of 4845.95 feet, 6.30 feet  
14 right, a found 1/2-inch iron pipe at a distance of 5044.96 feet,  
15 6.79 feet right, a found 1/2-inch iron pipe at a distance of 5644.64  
16 feet, 6.54 feet right, a found 1/4-inch iron pipe at a distance of  
17 5665.25 feet, 7.16 feet right, a found 5/8-inch iron rod at a  
18 distance of 5665.30 feet, 6.86 feet right, continuing for a total  
19 distance of 6047.81 feet (called 6051.88 feet) to the POINT OF  
20 BEGINNING, CONTAINING 279.07 acres of land in Montgomery County,  
21 Texas, as shown on drawing number 9629-A.

22 TRACT 2

23 A METES AND BOUNDS description of a 842.23 acre tract of land  
24 situated in the Charles Frazier Survey, Abstract Number 206, the  
25 Andrew J. Hensley Survey, Abstract Number 255, the Azariah Prather  
26 Survey, Abstract Number 427 and the Leander Wescott Survey,  
27 Abstract Number 616, Montgomery County, Texas; being out of and a

1 part of a called 881.183 acre tract (Tract 1) conveyed to Mitchell  
2 Energy Corporation by Special Warranty Deed dated July 31, 1997 and  
3 filed for record under Clerk's File No. 9746155 of the Montgomery  
4 County Official Public Records of Real Property; said 842.23 acres  
5 being more particularly described as follows with all bearings  
6 based on the Texas Coordinate System of 1983, Central Zone:

7 BEGINNING at a found 3-inch iron pipe for the north corner  
8 Greentree Forest Estates (an Unrecorded Subdivision), same being an  
9 interior corner of the herein described tract;

10 THENCE, South 42°47'48" West, along the northwest line of said  
11 Greentree Forest Estates and a southeast line of said 881.183  
12 acres, passing a found 5/8-inch iron rod at 256.52 feet, a found  
13 1/2-inch iron rod at 374.49 feet, 0.17 feet left, a found 5/8-inch  
14 iron rod at 847.40 feet, a found 5/8-inch iron rod at 965.59 feet,  
15 0.38 feet right, a found 1/2-inch iron rod at 1202.01 feet, a found  
16 1/2-inch iron rod at 1442.52 feet, 1.05 feet right, a found 5/8-inch  
17 iron rod at 1686.50 feet and a found 1/2-inch iron rod at 1921.45  
18 feet, continuing for a total distance of 2155.95 feet (called  
19 2155.95 feet) to a set 3/4-inch iron rod (with cap stamped  
20 "Jones|Carter Property Corner") in the northeast line of called  
21 4.615 acre tract, known as Tract 17, Block 4 of Cripple Creek Farms  
22 North Section Three (an unrecorded subdivision), conveyed to Larry  
23 Dan McQuerry and wife, Mary Margaret McQuerry by General Warranty  
24 Deed dated April 2, 1980 and filed for record under Clerk's File  
25 No. 8011618 of the Montgomery County Official Public Records of  
26 Real Property, for a southwest corner of the herein described  
27 tract, from which a found 1/2-inch iron rod bears South 47°45'18"

1 East, 171.07 feet;

2       THENCE, North 47°25'32" West, 433.31 feet (called 1246.42  
3 feet), departing the northwest line of said Greentree Forest  
4 Estates, along the northeast line of said 4.615 acres and a  
5 southwest line of said 881.183 acres to a set 3/4-inch iron rod  
6 (with cap stamped "Jones|Carter Property Corner") in the east line  
7 of a called 279.65 acre tract conveyed to Mitchell Energy  
8 Corporation by Surface Deed and Subsurface Easement dated January  
9 1, 1995 and file for record under Clerk's File No. 9509774 of the  
10 Montgomery County Official Public Records of Real Property, same  
11 being the apparent east line of the Edward Taylor Survey, Abstract  
12 Number 554 and the apparent west line of the Leander Wescott Survey,  
13 Abstract Number 616, from which found 3-1/2" iron pipe bears North  
14 47°25'32" West, 812.94 feet, and a found 1/2-inch iron rod bears  
15 South 02°35'38" East, 3939.85 feet;

16       THENCE, North 02°35'38" West, departing the northeast line of  
17 said 4.615 acres, along the east line of said 279.65 acres, the  
18 apparent east line of the Edward Taylor Survey, Abstract Number 554  
19 and the apparent west line of the Leander Wescott Survey, Abstract  
20 Number 616, passing a 5/8-inch iron rod at 13.09 feet, 12.74 feet  
21 left and a found 1/2-inch iron pipe at 17.01 feet, 12.71 feet left,  
22 continuing for a total distance of 2107.96 feet to a found 1/2-inch  
23 iron pipe for the southeast corner of a called 10 acre tract  
24 conveyed to Axe Em Investments, L.P. by Special Warranty Deed dated  
25 October 1, 2003 and filed for record under Clerk's File  
26 No. 2003-134286 of the Montgomery County Official Public Records of  
27 Real Property, the northeast corner of said 279.65 acres and an

1 angle point in the west line of the herein described tract, from  
2 which a found 3/4-inch iron rod (with cap stamped "Jones|Carter  
3 Property Corner") bears South 86°38'34" West, 561.72 feet;

4       THENCE, North 03°18'03" West, continuing along the apparent  
5 east line of the Edward Taylor Survey, Abstract Number 554, the  
6 apparent west line of the Leander Wescott Survey, Abstract Number  
7 616, and the east line of said 10 acres, passing a 1/2-inch iron rod  
8 at 220.99 feet, continuing along the east line of said 10 acres, the  
9 east line of a called 5 acre tract and another called 10 acre tract  
10 (hereinafter referred to as "northern 10 acres"), both conveyed to  
11 Axe Em Investments, L.P. by Special Warranty Deed dated October 1,  
12 2003 and filed for record under Clerk's File No. 2003-134286 of the  
13 Montgomery County Official Public Records of Real Property for a  
14 total distance of 941.08 feet to a found 1/2-inch iron rod in the  
15 north line of said 881.183 acres for an angle point in the south  
16 line of a called 757.02 acre tract ("Tract III") conveyed to 1488  
17 Corp. by Special Warranty Deed dated December 29, 2015 and filed for  
18 record under Clerk's File No. 2016002467 of the Montgomery County  
19 Official Public Records of Real Property, same being the northwest  
20 corner of the herein described tract, from which a found axle bears  
21 North 48°48'43" West, 728.19 feet and a found 3/4-inch pinched top  
22 pipe bears North 03°04'57" West, 1286.89 feet;

23       THENCE, departing the east line of said northern 10 acres,  
24 the apparent east line of the Edward Taylor Survey, Abstract Number  
25 554 and the apparent west line of the Leander Wescott Survey,  
26 Abstract Number 616, along the south line of said 757.02 acres and  
27 the north line of said 881.183 acres the following six (6) courses

1 and distances:

- 2           1. South 48°52'00" East, 593.66 feet (called 1321.86 feet)  
3 to a found 3-inch iron pipe for an angle point;  
4           2. North 42°00'28" East, 807.36 feet (called 807.98 feet) to  
5 a found 3-inch iron pipe;  
6           3. North 43°20'46" East, 781.14 feet (called 779.36 feet) to  
7 a found 3/4-inch iron pipe;  
8           4. North 41°41'25" East, 1538.43 feet (called 1540.14 feet)  
9 to a found 3-inch iron pipe;  
10          5. North 42°24'04" East, 777.81 feet (called 778.99 feet) to  
11 a found 1/2-inch iron rod;  
12          6. North 42°15'57" East, 706.71 feet (called 710.25 feet) to  
13 a point in the centerline of Mill Creek, for the west corner of a  
14 called 6.11186 acre tract, known as Tract 12 of Wildwood Estates (an  
15 unrecorded subdivision), conveyed to John M. Burdick and wife,  
16 Sandra A. Burdick by Warranty Deed dated October 14, 1991 and file  
17 for record under Clerk's File No. 9148107 of the Montgomery County  
18 Official Public Records of Real Property, same being the north  
19 corner of said 881.183 acres and the herein described tract, from  
20 which a found 1-inch iron pipe bears North 42°15'57" East, 1881.50  
21 feet;

22           THENCE, departing the south line of said 757.02 acres, along  
23 the centerline meanders of said Mill Creek, same being the east line  
24 of said 881.183 acres, the following two-hundred and forty-six  
25 (246) courses and distances:

- 26           1. South 12°18'18" East, 20.94 feet to a point;  
27           2. South 22°23'59" East, 74.66 feet to a point;

- 1           3.   South 42°53'52" West, 46.44 feet to a point;
- 2           4.   South 36°58'56" West, 46.01 feet to a point;
- 3           5.   South 09°52'55" East, 37.33 feet to a point;
- 4           6.   North 87°56'29" East, 80.12 feet to a point;
- 5           7.   South 45°12'31" East, 17.10 feet to a point;
- 6           8.   South 10°52'22" East, 26.87 feet to a point;
- 7           9.   South 02°05'39" East, 26.13 feet to a point;
- 8           10.   South 12°44'29" East, 19.29 feet to a point;
- 9           11.   South 04°45'43" West, 43.16 feet to a point;
- 10          12.   South 35°59'36" East, 36.12 feet to a point;
- 11          13.   South 09°16'25" West, 32.54 feet to a point;
- 12          14.   South 12°40'55" West, 171.14 feet to a point;
- 13          15.   South 06°14'53" East, 70.78 feet to a point;
- 14          16.   South 41°23'52" East, 61.54 feet to a point;
- 15          17.   South 14°42'38" East, 130.27 feet to a point;
- 16          18.   South 23°55'53" East, 126.21 feet to a point;
- 17          19.   South 10°03'51" East, 50.67 feet to a point;
- 18          20.   South 36°50'20" East, 107.39 feet to a point;
- 19          21.   South 10°43'38" East, 60.21 feet to a point;
- 20          22.   South 21°14'15" West, 153.28 feet to a point;
- 21          23.   South 22°33'14" West, 58.07 feet to a point;
- 22          24.   South 05°35'01" West, 20.25 feet to a point;
- 23          25.   South 61°22'44" East, 38.41 feet to a point;
- 24          26.   South 69°02'33" East, 58.99 feet to a point;
- 25          27.   South 12°12'50" East, 124.16 feet to a point;
- 26          28.   South 32°31'48" East, 44.10 feet to a point;
- 27          29.   South 57°36'47" East, 61.05 feet to a point;

- 1 30. South 53°27'39" East, 56.94 feet to a point;
- 2 31. South 33°14'19" East, 97.80 feet to a point;
- 3 32. South 21°00'11" East, 47.88 feet to a point;
- 4 33. South 00°14'08" West, 9.48 feet to a point;
- 5 34. South 35°38'34" West, 15.42 feet to a point;
- 6 35. South 05°09'49" West, 35.23 feet to a point;
- 7 36. South 41°24'16" East, 29.71 feet to a point;
- 8 37. South 59°26'29" East, 22.32 feet to a point;
- 9 38. South 69°02'33" East, 324.70 feet to a point;
- 10 39. South 85°20'52" East, 48.71 feet to a point;
- 11 40. North 78°12'44" East, 26.46 feet to a point;
- 12 41. North 42°26'02" East, 37.26 feet to a point;
- 13 42. North 09°57'57" East, 21.44 feet to a point;
- 14 43. North 71°11'45" West, 44.32 feet to a point;
- 15 44. North 43°20'43" West, 8.72 feet to a point;
- 16 45. North 01°04'41" West, 22.38 feet to a point;
- 17 46. North 21°27'17" East, 14.55 feet to a point;
- 18 47. North 35°12'16" East, 57.34 feet to a point;
- 19 48. South 40°49'24" East, 26.21 feet to a point;
- 20 49. South 26°33'49" East, 19.14 feet to a point;
- 21 50. South 78°44'47" East, 39.61 feet to a point;
- 22 51. South 42°37'50" East, 117.76 feet to a point;
- 23 52. South 63°31'02" East, 54.42 feet to a point;
- 24 53. North 86°22'35" East, 14.48 feet to a point;
- 25 54. South 83°23'38" East, 50.81 feet to a point;
- 26 55. South 41°53'26" East, 37.41 feet to a point;
- 27 56. South 10°42'29" East, 156.83 feet to a point;



- 1 57. South 50°37'37" East, 26.55 feet to a point;
- 2 58. South 35°05'48" East, 74.85 feet to a point;
- 3 59. South 34°45'59" East, 50.28 feet to a point;
- 4 60. South 63°14'51" East, 163.53 feet to a point;
- 5 61. South 87°53'24" East, 20.12 feet to a point;
- 6 62. North 48°15'22" East, 95.09 feet to a point;
- 7 63. South 57°40'49" East, 12.18 feet to a point;
- 8 64. South 55°52'46" East, 39.03 feet to a point;
- 9 65. South 30°38'19" East, 13.33 feet to a point;
- 10 66. South 17°12'36" East, 20.13 feet to a point;
- 11 67. South 54°53'29" East, 145.28 feet to a point;
- 12 68. South 66°39'02" East, 56.87 feet to a point;
- 13 69. South 75°44'05" East, 87.52 feet to a point;
- 14 70. South 58°53'21" East, 90.35 feet to a point;
- 15 71. North 88°28'59" East, 42.27 feet to a point;
- 16 72. South 56°16'37" East, 181.99 feet to a point;
- 17 73. South 40°53'21" East, 125.58 feet to a point;
- 18 74. South 31°26'40" West, 50.99 feet to a point;
- 19 75. South 28°10'18" West, 24.21 feet to a point;
- 20 76. South 77°29'22" East, 19.73 feet to a point;
- 21 77. South 50°09'42" East, 96.47 feet to a point;
- 22 78. South 56°32'41" East, 38.23 feet to a point;
- 23 79. South 54°49'44" East, 31.98 feet to a point;
- 24 80. North 77°40'42" East, 30.26 feet to a point;
- 25 81. North 80°05'57" East, 64.03 feet to a point;
- 26 82. South 66°03'01" East, 290.35 feet to a point;
- 27 83. South 63°25'23" East, 170.62 feet to a point;

- 1 84. South 62°41'27" East, 181.12 feet to a point;
- 2 85. South 49°53'40" East, 59.94 feet to a point;
- 3 86. South 39°07'27" East, 46.28 feet to a point;
- 4 87. South 05°14'20" West, 92.52 feet to a point;
- 5 88. South 63°37'44" West, 38.32 feet to a point;
- 6 89. South 46°52'08" West, 17.69 feet to a point;
- 7 90. South 30°30'24" West, 32.48 feet to a point;
- 8 91. South 52°08'30" West, 30.87 feet to a point;
- 9 92. North 88°59'43" West, 56.63 feet to a point;
- 10 93. South 40°10'42" West, 137.98 feet to a point;
- 11 94. South 17°29'36" West, 77.42 feet to a point;
- 12 95. South 00°37'28" East, 30.27 feet to a point;
- 13 96. South 83°36'36" East, 64.24 feet to a point;
- 14 97. South 86°39'20" East, 105.45 feet to a point;
- 15 98. South 46°06'16" East, 176.19 feet to a point;
- 16 99. South 56°22'42" East, 61.38 feet to a point;
- 17 100. South 53°51'41" East, 64.61 feet to a point;
- 18 101. North 46°16'54" East, 19.60 feet to a point;
- 19 102. North 42°53'51" East, 33.81 feet to a point;
- 20 103. North 81°54'47" East, 105.65 feet to a point;
- 21 104. South 78°49'30" East, 53.59 feet to a point;
- 22 105. South 39°53'14" East, 18.21 feet to a point;
- 23 106. South 27°02'07" East, 57.44 feet to a point;
- 24 107. South 40°36'08" East, 83.23 feet to a point;
- 25 108. South 36°14'03" East, 104.79 feet to a point;
- 26 109. South 21°55'33" West, 120.32 feet to a point;
- 27 110. South 45°28'18" West, 24.82 feet to a point;

- 1 111. North 87°16'18" West, 60.19 feet to a point;
- 2 112. South 04°03'57" West, 40.49 feet to a point;
- 3 113. South 19°30'55" West, 113.56 feet to a point;
- 4 114. South 17°09'33" West, 26.63 feet to a point;
- 5 115. South 06°32'51" West, 52.58 feet to a point;
- 6 116. South 48°03'00" East, 198.07 feet to a point;
- 7 117. South 78°07'22" East, 39.83 feet to a point;
- 8 118. South 45°15'38" East, 108.53 feet to a point;
- 9 119. South 15°27'32" East, 74.05 feet to a point;
- 10 120. South 29°42'12" East, 187.05 feet to a point;
- 11 121. South 10°51'23" East, 98.64 feet to a point;
- 12 122. South 13°57'22" West, 16.81 feet to a point;
- 13 123. South 05°41'13" East, 152.49 feet to a point;
- 14 124. South 04°31'17" East, 117.06 feet to a point;
- 15 125. South 04°48'51" West, 67.94 feet to a point;
- 16 126. South 20°51'03" West, 86.27 feet to a point;
- 17 127. South 48°35'35" West, 63.11 feet to a point;
- 18 128. South 48°58'11" West, 27.31 feet to a point;
- 19 129. South 41°19'59" West, 147.94 feet to a point;
- 20 130. South 16°43'24" West, 51.25 feet to a point;
- 21 131. South 38°48'25" West, 129.88 feet to a point;
- 22 132. South 48°43'18" West, 33.26 feet to a point;
- 23 133. South 49°33'27" West, 63.28 feet to a point;
- 24 134. South 34°02'23" West, 138.93 feet to a point;
- 25 135. South 43°19'50" West, 77.02 feet to a point;
- 26 136. South 21°42'27" East, 21.32 feet to a point;
- 27 137. South 19°31'50" East, 69.55 feet to a point;

- 1 138. South 10°43'23" East, 164.23 feet to a point;
- 2 139. South 50°46'56" East, 96.05 feet to a point;
- 3 140. South 38°12'17" East, 124.95 feet to a point;
- 4 141. South 14°25'39" East, 40.20 feet to a point;
- 5 142. South 04°53'50" East, 123.95 feet to a point;
- 6 143. South 32°39'47" East, 115.61 feet to a point;
- 7 144. South 15°59'49" East, 145.05 feet to a point;
- 8 145. South 44°34'59" East, 144.65 feet to a point;
- 9 146. South 62°03'10" East, 95.40 feet to a point;
- 10 147. South 79°38'44" East, 72.91 feet to a point;
- 11 148. South 10°24'52" East, 229.66 feet to a point;
- 12 149. North 68°22'11" West, 80.47 feet to a point;
- 13 150. South 07°25'05" East, 48.42 feet to a point;
- 14 151. South 02°41'47" West, 198.27 feet to a point;
- 15 152. South 43°12'25" West, 88.27 feet to a point;
- 16 153. South 51°53'13" West, 53.80 feet to a point;
- 17 154. South 46°45'22" East, 42.20 feet to a point;
- 18 155. South 61°43'29" East, 161.36 feet to a point;
- 19 156. South 28°19'40" East, 101.12 feet to a point;
- 20 157. South 32°48'06" East, 144.76 feet to a point;
- 21 158. South 50°37'24" East, 51.47 feet to a point;
- 22 159. South 28°01'42" East, 126.58 feet to a point;
- 23 160. South 38°57'45" East, 107.31 feet to a point;
- 24 161. South 50°24'34" East, 71.71 feet to a point;
- 25 162. South 09°29'22" East, 212.34 feet to a point;
- 26 163. South 00°20'59" West, 132.90 feet to a point;
- 27 164. South 19°40'54" East, 86.34 feet to a point;

- 1 165. South 14°58'26" West, 140.70 feet to a point;
- 2 166. South 10°08'09" West, 74.76 feet to a point;
- 3 167. South 53°21'21" West, 115.04 feet to a point;
- 4 168. South 27°54'49" West, 62.71 feet to a point;
- 5 169. South 34°48'30" East, 61.40 feet to a point;
- 6 170. South 66°20'22" East, 141.85 feet to a point;
- 7 171. South 72°53'56" East, 64.16 feet to a point;
- 8 172. South 80°40'10" East, 93.92 feet to a point;
- 9 173. North 88°21'42" East, 215.53 feet to a point;
- 10 174. North 72°22'13" East, 72.02 feet to a point;
- 11 175. North 30°33'22" East, 51.13 feet to a point;
- 12 176. North 53°06'11" East, 67.65 feet to a point;
- 13 177. South 89°23'41" East, 60.02 feet to a point;
- 14 178. North 69°42'48" East, 89.16 feet to a point;
- 15 179. North 84°21'21" East, 28.12 feet to a point;
- 16 180. South 65°03'29" East, 63.15 feet to a point;
- 17 181. South 24°31'20" East, 153.15 feet to a point;
- 18 182. South 79°55'10" East, 74.23 feet to a point;
- 19 183. South 30°19'44" East, 69.41 feet to a point;
- 20 184. South 26°36'17" West, 67.33 feet to a point;
- 21 185. South 51°53'55" East, 28.30 feet to a point;
- 22 186. South 48°09'02" East, 20.98 feet to a point;
- 23 187. South 69°54'32" East, 42.71 feet to a point;
- 24 188. South 49°35'02" East, 114.15 feet to a point;
- 25 189. South 61°51'29" East, 70.82 feet to a point;
- 26 190. North 56°45'53" East, 81.24 feet to a point;
- 27 191. North 10°22'42" West, 27.52 feet to a point;

- 1 192. North 44°20'07" West, 46.76 feet to a point;
- 2 193. North 14°23'02" West, 40.60 feet to a point;
- 3 194. North 81°26'55" East, 88.16 feet to a point;
- 4 195. South 81°27'52" East, 225.26 feet to a point;
- 5 196. North 50°13'30" East, 52.21 feet to a point;
- 6 197. South 83°42'53" East, 38.65 feet to a point;
- 7 198. South 53°20'17" East, 54.33 feet to a point;
- 8 199. South 34°41'44" East, 78.36 feet to a point;
- 9 200. South 04°59'36" West, 17.83 feet to a point;
- 10 201. South 75°56'24" West, 26.48 feet to a point;
- 11 202. North 80°06'10" West, 22.44 feet to a point;
- 12 203. South 15°30'22" West, 102.03 feet to a point;
- 13 204. South 77°49'42" West, 77.55 feet to a point;
- 14 205. South 05°43'31" West, 17.16 feet to a point;
- 15 206. South 36°38'48" East, 52.50 feet to a point;
- 16 207. South 22°17'18" West, 18.42 feet to a point;
- 17 208. South 46°04'19" West, 106.13 feet to a point;
- 18 209. South 00°20'40" East, 46.25 feet to a point;
- 19 210. North 86°03'23" East, 65.78 feet to a point;
- 20 211. South 88°15'33" East, 59.39 feet to a point;
- 21 212. South 72°52'21" East, 84.16 feet to a point;
- 22 213. South 22°30'03" East, 31.04 feet to a point;
- 23 214. South 07°37'19" West, 34.13 feet to a point;
- 24 215. South 13°51'28" East, 32.68 feet to a point;
- 25 216. South 42°01'46" East, 82.75 feet to a point;
- 26 217. South 32°57'14" East, 31.07 feet to a point;
- 27 218. South 26°42'20" West, 36.83 feet to a point;

- 1 219. South 51°10'47" West, 104.44 feet to a point;
- 2 220. South 78°09'38" West, 133.44 feet to a point;
- 3 221. North 65°18'54" West, 40.51 feet to a point;
- 4 222. North 20°57'04" West, 19.22 feet to a point;
- 5 223. North 20°58'16" East, 21.54 feet to a point;
- 6 224. North 31°10'24" West, 21.19 feet to a point;
- 7 225. South 86°54'36" West, 98.56 feet to a point;
- 8 226. South 62°17'52" West, 61.48 feet to a point;
- 9 227. South 10°48'36" West, 14.13 feet to a point;
- 10 228. South 68°28'09" West, 146.02 feet to a point;
- 11 229. South 66°50'57" West, 13.98 feet to a point;
- 12 230. South 54°14'31" West, 9.13 feet to a point;
- 13 231. South 28°53'35" West, 47.36 feet to a point;
- 14 232. South 14°53'51" East, 38.67 feet to a point;
- 15 233. South 33°16'15" West, 110.49 feet to a point;
- 16 234. South 25°51'57" West, 87.36 feet to a point;
- 17 235. South 24°40'48" West, 168.46 feet to a point;
- 18 236. South 18°07'49" West, 119.57 feet to a point;
- 19 237. South 07°55'38" West, 73.03 feet to a point;
- 20 238. South 30°22'38" East, 68.89 feet to a point;
- 21 239. South 08°41'13" West, 43.89 feet to a point;
- 22 240. South 20°25'31" West, 64.73 feet to a point;
- 23 241. South 06°48'07" West, 63.29 feet to a point;
- 24 242. South 07°37'07" West, 39.79 feet to a point;
- 25 243. South 28°55'17" West, 36.09 feet to a point;
- 26 244. South 66°13'24" West, 56.17 feet to a point;
- 27 245. South 43°02'27" West, 59.63 feet to a point;

1           246. South 13°44'31" West, 6.84 feet to a point in the  
2 northeast line of Mill Creek Forest as shown on a plat filed for  
3 record in Volume 5, Page 491 of the Montgomery County Deed Records  
4 for the most southerly corner of said 881.183 acres and the herein  
5 described tract;

6           THENCE, North 46°43'05" West, departing the centerline  
7 meanders of said Mill Creek, along the northeast line of said Mill  
8 Creek Forest, and the southwest line of said 881.183 acres, passing  
9 a found 1/2-inch iron rod (with cap stamped "Reinke 3971") at 61.41  
10 feet, continuing for a total distance of 397.79 feet (called  
11 414.06) to a found 1/2-inch iron rod (with cap stamped "Geomatics  
12 Inc.") for the north corner of said Mill Creek Forest, and an  
13 interior corner of said 881.183 acres and the herein described  
14 tract;

15           THENCE, South 43°03'45" West, along the northwest line of said  
16 Mill Creek Forest and a southeast line of said 881.183 acres,  
17 passing a found 3/4-inch iron pipe at 104.79 feet, 0.97 feet right,  
18 continuing for a total distance of 198.18 feet (called 192.78 feet)  
19 to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property  
20 Corner") for the east corner of Lot 14, Block 44 of Hazy Hollow East  
21 Estates Section 7 (an unrecorded subdivision) conveyed to Malcom  
22 James Johnson by Warranty Deed dated April 5, 1991 and filed for  
23 record under Clerk's File No. 9230908 of the Montgomery County  
24 Official Public Records of Real Property, a south corner of said  
25 881.183 acres and the herein described tract;

26           THENCE, departing the northwest line of said Mill Creek  
27 Forest along the southwest line of said 881.183 acres and the herein



1 described tract the following seven (7) courses and distances:

2           1. North 47°15'15" West, along the northeast line said Hazy  
3 Hollow East Estates Section 7, passing a found 3/8-inch iron rod at  
4 1321.03 feet, 1.17 feet left, passing a found 1/2-inch iron rod at  
5 1429.95 feet, 1.21 feet left, continuing for a total distance of  
6 1755.51 feet to an angle point, from which a found 1/2-inch iron rod  
7 bears North 21°27'43" West 4.22 feet;

8           2. North 47°29'30" West, along the northeast line of said  
9 Hazy Hollow East Estates Section 7 and the northeast line of Hazy  
10 Hollow East Estates Section 4 (an unrecorded subdivision), passing  
11 a found 3/8-inch iron rod at 393.30 feet, 1.24 feet right,  
12 continuing for a total distance of 711.72 feet to a point;

13           3. North 47°20'39" West, along the northeast line of Hazy  
14 Hollow East Estates Section 10 (an unrecorded subdivision), passing  
15 a found 3/8-inch iron rod at 126.64 feet, 2.16 feet right, passing a  
16 found 3/8-inch iron rod at 375.33 feet, 1.09 feet right, passing a  
17 found 3/8-inch iron rod at 499.77 feet, 0.63 feet right, continuing  
18 for a total distance of 527.41 feet to a point;

19           4. North 47°17'20" West, along the northeast line of said  
20 Hazy Hollow East Estates Section 10, passing a found 5/8-inch iron  
21 rod at 96.90 feet, 0.38 feet right, a found 1/2-inch iron rod (bent)  
22 at 289.53 feet, a found 3/8-inch iron rod at 422.16 feet, 0.24 feet  
23 right, a found 1/2-inch iron rod at 554.92 feet, a found 5/8-inch  
24 iron rod at 687.54 feet, a found 3/8-inch iron rod at 1116.06 feet,  
25 0.31 feet left, a found 3/8-inch iron rod at 1239.11 feet, 0.41 feet  
26 left, a found 3/8-inch iron rod at 1484.87 feet, 0.98 feet left, a  
27 found 3/8-inch iron rod at 1608.04 feet, 1.32 feet left, a found

1 3/8-inch iron rod at 1731.04 feet, 1.21 feet left, a found 3/8-inch  
2 iron rod at 1854.08 feet, 0.55 feet left, a found 5/8-inch square  
3 iron bar at 1977.47 feet, 0.11 feet right, a found 5/8-inch square  
4 iron bar at 2037.11 feet, 0.36 feet right, a found 3/8-inch iron rod  
5 at 2159.55 feet, 1.03 feet right, a found 1/2-inch iron rod (with  
6 cap stamped "C&C Surveying") at 2282.80 feet, 0.18 feet right, a  
7 found 1/2-inch iron rod (with cap stamped "C&C Surveying") at  
8 2405.70 feet, and a found 3/8-inch iron rod at 2897.75 feet, 0.13  
9 feet right, continuing for a total distance of 3015.29 feet to a  
10 point;

11 5. North 47°22'30" West, along the northeast line of Hazy  
12 Hollow East Estates Section 11 (an unrecorded subdivision), passing  
13 a found 3/8-inch iron rod at 5.37 feet, 2.20 feet left, a found  
14 3/8-inch iron rod at 128.11 feet, 3.14 feet left, a found 3/8-inch  
15 iron rod at 251.00 feet, 3.59 feet left, a found 3/8-inch iron rod  
16 at 373.97 feet, 3.79 feet left, a found 3/8-inch iron rod at 496.74  
17 feet, 3.70 feet left, a found 3/8-inch iron rod at 619.44 feet, 3.76  
18 feet left, a found 3/8-inch iron rod at 743.26 feet, 1.81 feet  
19 left, and a found 3/8-inch iron rod at 988.51 feet, 0.13 feet left,  
20 continuing for a total distance of 1784.65 feet to a found 1/2-inch  
21 iron rod for the north corner of said Hazy Hollow East Estates  
22 Section 11 and the east corner of Greentree Forest Estates (an  
23 unrecorded subdivision);

24 6. North 47°01'59" West, along the northeast line of said  
25 Greentree Forest Estates, passing a found 1/2-inch iron rod at  
26 354.40 feet, passing a found 5/8-inch iron rod at 414.22 feet,  
27 continuing for a total distance of 498.04 feet to a found 3-1/2-inch

1 iron pipe;

2 7. North 47°36'37" West, 270.64 feet (called 270.76 feet) to  
3 the POINT OF BEGINNING, CONTAINING 842.23 acres of land in  
4 Montgomery County, Texas, as shown on drawing number 9630-A.

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

12 (b) The governor, one of the required recipients, has  
13 submitted the notice and Act to the Texas Commission on  
14 Environmental Quality.

15 (c) The Texas Commission on Environmental Quality has filed  
16 its recommendations relating to this Act with the governor,  
17 lieutenant governor, and speaker of the house of representatives  
18 within the required time.

19 (d) All requirements of the constitution and laws of this  
20 state and the rules and procedures of the legislature with respect  
21 to the notice, introduction, and passage of this Act have been  
22 fulfilled and accomplished.

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

ADOPTED

MAY 22 2019

By: Bell/Creighton

*Letay Spaul*  
Secretary of the Senate

H.B. No. 4657

Substitute the following for H.B. No. 4657:

By: *Joe Menendez*

C.S. \_\_\_ .B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

1

2 relating to the creation of the Montgomery County Management  
3 District No. 1; providing authority to issue bonds; providing  
4 authority to impose assessments, fees, and taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
7 Code, is amended by adding Chapter 3979 to read as follows:

8 CHAPTER 3979. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 1

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3979.0101. DEFINITIONS. In this chapter:

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

12 (2) "Commission" means the Texas Commission on  
13 Environmental Quality.

14 (3) "County" means Montgomery County.

15 (4) "Director" means a board member.

16 (5) "District" means the Montgomery County Management  
17 District No. 1.

18 Sec. 3979.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

19 (a) The district is a special district created under Section 59,  
20 Article XVI, Texas Constitution.

21 (b) The district is a governmental unit, as provided by  
22 Section 375.004, Local Government Code.

23 (c) This chapter does not waive any governmental or  
24 sovereign immunity from suit, liability, or judgment that would

1 otherwise apply to the district.

2 Sec. 3979.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
3 creation of the district is essential to accomplish the purposes of  
4 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
5 Texas Constitution, and other public purposes stated in this  
6 chapter.

7 (b) By creating the district, the legislature has  
8 established a program to accomplish the public purposes set out in  
9 Sections 52 and 52-a, Article III, Texas Constitution.

10 (c) The creation of the district is necessary to promote,  
11 develop, encourage, and maintain employment, commerce,  
12 transportation, housing, tourism, recreation, the arts,  
13 entertainment, economic development, safety, and the public  
14 welfare in the district.

15 (d) This chapter and the creation of the district may not be  
16 interpreted to relieve the county or a municipality from providing  
17 the level of services provided as of the effective date of the Act  
18 enacting this chapter to the area in the district. The district is  
19 created to supplement and not to supplant county or municipal  
20 services provided in the district.

21 Sec. 3979.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

22 (a) All land and other property included in the district will  
23 benefit from the improvements and services to be provided by the  
24 district under powers conferred by Sections 52 and 52-a, Article  
25 III, and Section 59, Article XVI, Texas Constitution, and other  
26 powers granted under this chapter.

27 (b) The district is created to serve a public use and

1 benefit.

2 (c) The creation of the district is in the public interest  
3 and is essential to further the public purposes of:

4 (1) developing and diversifying the economy of the  
5 state;

6 (2) eliminating unemployment and underemployment; and

7 (3) developing or expanding transportation and  
8 commerce.

9 (d) The district will:

10 (1) promote the health, safety, and general welfare of  
11 residents, employers, potential employees, employees, visitors,  
12 and consumers in the district, and of the public;

13 (2) provide needed funding for the district to  
14 preserve, maintain, and enhance the economic health and vitality of  
15 the district territory as a community and business center;

16 (3) promote the health, safety, welfare, and enjoyment  
17 of the public by providing pedestrian ways, road facilities,  
18 transit facilities, parking facilities, recreational facilities,  
19 and public art objects and by landscaping and developing certain  
20 areas in the district, which are necessary for the restoration,  
21 preservation, and enhancement of scenic beauty; and

22 (4) provide for water, wastewater, and drainage  
23 facilities for the district.

24 (e) Pedestrian ways along or across a street, whether at  
25 grade or above or below the surface, and street lighting, street  
26 landscaping, parking, and street art objects are parts of and  
27 necessary components of a street and are considered to be a street

1 or road improvement.

2 (f) The district will not act as the agent or  
3 instrumentality of any private interest even though the district  
4 will benefit many private interests as well as the public.

5 Sec. 3979.0105. INITIAL DISTRICT TERRITORY. (a) The  
6 district is initially composed of the territory described by  
7 Section 2 of the Act enacting this chapter.

8 (b) The boundaries and field notes contained in Section 2 of  
9 the Act enacting this chapter form a closure. A mistake in the  
10 field notes or in copying the field notes in the legislative process  
11 does not affect the district's:

12 (1) organization, existence, or validity;

13 (2) right to issue any type of bonds for the purposes  
14 for which the district is created or to pay the principal of and  
15 interest on the bonds;

16 (3) right to impose or collect an assessment or tax; or

17 (4) legality or operation.

18 Sec. 3979.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

19 All or any part of the area of the district is eligible to be  
20 included in:

21 (1) a tax increment reinvestment zone created under  
22 Chapter 311, Tax Code;

23 (2) a tax abatement reinvestment zone created under  
24 Chapter 312, Tax Code;

25 (3) an enterprise zone created under Chapter 2303,  
26 Government Code; or

27 (4) an industrial district created under Chapter 42,

1 Local Government Code.

2 Sec. 3979.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
3 DISTRICTS LAW. Except as otherwise provided by this chapter,  
4 Chapter 375, Local Government Code, applies to the district.

5 Sec. 3979.0108. LIBERAL CONSTRUCTION OF CHAPTER. This  
6 chapter shall be liberally construed in conformity with the  
7 findings and purposes stated in this chapter.

8 Sec. 3979.0109. CONFLICTS OF LAW. This chapter prevails  
9 over any provision of general law, including a provision of Chapter  
10 375, Local Government Code, or Chapter 49, Water Code, that is in  
11 conflict or inconsistent with this chapter.

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 3979.0201. GOVERNING BODY; TERMS. (a) The district is  
14 governed by a board of five directors elected or appointed as  
15 provided by this chapter and Subchapter D, Chapter 49, Water Code.

16 (b) Except as provided by Section 3979.0203, directors  
17 serve staggered four-year terms.

18 Sec. 3979.0202. COMPENSATION. A director is entitled to  
19 receive fees of office and reimbursement for actual expenses as  
20 provided by Section 49.060, Water Code. Sections 375.069 and  
21 375.070, Local Government Code, do not apply to the board.

22 Sec. 3979.0203. TEMPORARY DIRECTORS. (a) On or after the  
23 effective date of the Act enacting this chapter, the owner or owners  
24 of a majority of the assessed value of the real property in the  
25 district according to the most recent certified tax appraisal roll  
26 for the county may submit a petition to the commission requesting  
27 that the commission appoint as temporary directors the five persons



1 named in the petition. The commission shall appoint as temporary  
2 directors the five persons named in the petition.

3 (b) The temporary directors shall hold an election to elect  
4 five permanent directors as provided by Section 49.102, Water Code.

5 (c) Temporary directors serve until the earlier of:

6 (1) the date permanent directors are elected under  
7 Subsection (b); or

8 (2) the fourth anniversary of the effective date of  
9 the Act enacting this chapter.

10 (d) If permanent directors have not been elected under  
11 Subsection (b) and the terms of the temporary directors have  
12 expired, successor temporary directors shall be appointed or  
13 reappointed as provided by Subsection (e) to serve terms that  
14 expire on the earlier of:

15 (1) the date permanent directors are elected under  
16 Subsection (b); or

17 (2) the fourth anniversary of the date of the  
18 appointment or reappointment.

19 (e) If Subsection (d) applies, the owner or owners of a  
20 majority of the assessed value of the real property in the district  
21 according to the most recent certified tax appraisal roll for the  
22 county may submit a petition to the commission requesting that the  
23 commission appoint as successor temporary directors the five  
24 persons named in the petition. The commission shall appoint as  
25 successor temporary directors the five persons named in the  
26 petition.

27 Sec. 3979.0204. DISQUALIFICATION OF DIRECTORS. Section

1 49.052, Water Code, applies to the members of the board.

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3979.0301. GENERAL POWERS AND DUTIES. The district  
4 has the powers and duties necessary to accomplish the purposes for  
5 which the district is created.

6 Sec. 3979.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)  
7 The district, using any money available to the district for the  
8 purpose, may provide, design, construct, acquire, improve,  
9 relocate, operate, maintain, or finance an improvement project or  
10 service authorized under this chapter or Chapter 375, Local  
11 Government Code.

12 (b) The district may contract with a governmental or private  
13 entity to carry out an action under Subsection (a).

14 (c) The implementation of a district project or service is a  
15 governmental function or service for the purposes of Chapter 791,  
16 Government Code.

17 Sec. 3979.0303. RECREATIONAL FACILITIES. The district may  
18 develop or finance recreational facilities as authorized by Chapter  
19 375, Local Government Code, Sections 52 and 52-a, Article III,  
20 Texas Constitution, Section 59, Article XVI, Texas Constitution,  
21 and any other law that applies to the district.

22 Sec. 3979.0304. AUTHORITY FOR ROAD PROJECTS. Under Section  
23 52, Article III, Texas Constitution, the district may own, operate,  
24 maintain, design, acquire, construct, finance, issue bonds, notes,  
25 or other obligations for, improve, and convey to this state, a  
26 county, or a municipality for ownership, operation, and maintenance  
27 macadamized, graveled, or paved roads or improvements, including

1 storm drainage, in aid of those roads.

2 Sec. 3979.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3 (a) The district may convey a road project authorized by Section  
4 3979.0304 to:

5 (1) a municipality or county that will operate and  
6 maintain the road if the municipality or county has approved the  
7 plans and specifications of the road project; or

8 (2) the state if the state will operate and maintain  
9 the road and the Texas Transportation Commission has approved the  
10 plans and specifications of the road project.

11 (b) Except as provided by Subsection (c), the district shall  
12 operate and maintain a road project authorized by Section 3979.0304  
13 that the district implements and does not convey to a municipality,  
14 a county, or this state under Subsection (a).

15 (c) The district may agree in writing with a municipality, a  
16 county, or this state to assign operation and maintenance duties to  
17 the district, the municipality, the county, or this state in a  
18 manner other than the manner described in Subsections (a) and (b).

19 Sec. 3979.0306. NONPROFIT CORPORATION. (a) The board by  
20 resolution may authorize the creation of a nonprofit corporation to  
21 assist and act for the district in implementing a project or  
22 providing a service authorized by this chapter.

23 (b) The nonprofit corporation:

24 (1) has each power of and is considered to be a local  
25 government corporation created under Subchapter D, Chapter 431,  
26 Transportation Code; and

27 (2) may implement any project and provide any service

1 authorized by this chapter.

2 (c) The board shall appoint the board of directors of the  
3 nonprofit corporation. The board of directors of the nonprofit  
4 corporation shall serve in the same manner as the board of directors  
5 of a local government corporation created under Subchapter D,  
6 Chapter 431, Transportation Code, except that a board member is not  
7 required to reside in the district.

8 Sec. 3979.0307. LAW ENFORCEMENT SERVICES. Section 49.216,  
9 Water Code, applies to the district.

10 Sec. 3979.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
11 The district may join and pay dues to a charitable or nonprofit  
12 organization that performs a service or provides an activity  
13 consistent with the furtherance of a district purpose.

14 Sec. 3979.0309. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
15 district may engage in activities that accomplish the economic  
16 development purposes of the district.

17 (b) The district may establish and provide for the  
18 administration of one or more programs to promote state or local  
19 economic development and to stimulate business and commercial  
20 activity in the district, including programs to:

21 (1) make loans and grants of public money; and

22 (2) provide district personnel and services.

23 (c) The district may create economic development programs  
24 and exercise the economic development powers that:

25 (1) Chapter 380, Local Government Code, provides to a  
26 municipality; and

27 (2) Subchapter A, Chapter 1509, Government Code,

1 provides to a municipality.

2 Sec. 3979.0310. STRATEGIC PARTNERSHIP AGREEMENT. The  
3 district may negotiate and enter into a written strategic  
4 partnership agreement with a municipality under Section 43.0751,  
5 Local Government Code.

6 Sec. 3979.0311. REGIONAL PARTICIPATION AGREEMENT. The  
7 district may negotiate and enter into a written regional  
8 participation agreement with a municipality under Section 43.0754,  
9 Local Government Code.

10 Sec. 3979.0312. PARKING FACILITIES. (a) The district may  
11 acquire, lease as lessor or lessee, construct, develop, own,  
12 operate, and maintain parking facilities or a system of parking  
13 facilities, including lots, garages, parking terminals, or other  
14 structures or accommodations for parking motor vehicles off the  
15 streets and related appurtenances.

16 (b) The district's parking facilities serve the public  
17 purposes of the district and are owned, used, and held for a public  
18 purpose even if leased or operated by a private entity for a term of  
19 years.

20 (c) The district's parking facilities are parts of and  
21 necessary components of a street and are considered to be a street  
22 or road improvement.

23 (d) The development and operation of the district's parking  
24 facilities may be considered an economic development program.

25 Sec. 3979.0313. ADDING OR EXCLUDING LAND. (a) The district  
26 may add land as provided by Subchapter J, Chapter 49, Water Code.

27 (b) The district may exclude land as provided by Subchapter

1 J, Chapter 49, Water Code. Section 375.044(b), Local Government  
2 Code, does not apply to the district.

3 (c) The district may include and exclude land as provided by  
4 Sections 54.739-54.747, Water Code. A reference in those sections  
5 to a "tax" means an ad valorem tax for the purposes of this  
6 subsection.

7 (d) If the district adopts a sales and use tax authorized at  
8 an election held under Section 3979.0602 and subsequently includes  
9 new territory in the district under this section, the district:

10 (1) is not required to hold another election to  
11 approve the imposition of the sales and use tax in the included  
12 territory; and

13 (2) shall impose the sales and use tax in the included  
14 territory as provided by Chapter 321, Tax Code.

15 (e) If the district adopts a sales and use tax authorized at  
16 an election held under Section 3979.0602 and subsequently excludes  
17 territory in the district under this section, the sales and use tax  
18 is inapplicable to the excluded territory, as provided by Chapter  
19 321, Tax Code, but is applicable to the territory remaining in the  
20 district.

21 Sec. 3979.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
22 board by resolution shall establish the number of directors'  
23 signatures and the procedure required for a disbursement or  
24 transfer of district money.

25 Sec. 3979.0315. AUDIT EXEMPTION. (a) The district may  
26 elect to complete an annual financial report in lieu of an annual  
27 audit under Section 375.096(a)(6), Local Government Code, if:

1           (1) the district had no bonds or other long-term (more  
2 than one year) liabilities outstanding during the fiscal period;

3           (2) the district did not have gross receipts from  
4 operations, loans, taxes, assessments, or contributions in excess  
5 of \$250,000 during the fiscal period; and

6           (3) the district's cash and temporary investments were  
7 not in excess of \$250,000 during the fiscal period.

8           (b) Each annual financial report prepared in accordance  
9 with this section must be open to public inspection and accompanied  
10 by an affidavit signed by a duly authorized representative of the  
11 district attesting to the accuracy and authenticity of the  
12 financial report.

13           (c) The annual financial report and affidavit shall be  
14 substantially similar in form to the annual financial report and  
15 affidavit forms prescribed by the executive director of the  
16 commission under Section 49.198, Water Code.

17           Sec. 3979.0316. NO EMINENT DOMAIN POWER. The district may  
18 not exercise the power of eminent domain.

19                           SUBCHAPTER D. ASSESSMENTS

20           Sec. 3979.0401. PETITION REQUIRED FOR FINANCING SERVICES  
21 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
22 service or improvement project with assessments under this chapter  
23 unless a written petition requesting that service or improvement  
24 has been filed with the board.

25           (b) A petition filed under Subsection (a) must be signed by  
26 the owners of a majority of the assessed value of real property in  
27 the district subject to assessment according to the most recent

1 certified tax appraisal roll for the county.

2 Sec. 3979.0402. METHOD OF NOTICE FOR HEARING. The district  
3 may mail the notice required by Section 375.115(c), Local  
4 Government Code, by certified or first class United States mail.  
5 The board shall determine the method of notice.

6 Sec. 3979.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
7 The board by resolution may impose and collect an assessment for any  
8 purpose authorized by this chapter in all or any part of the  
9 district.

10 (b) An assessment, a reassessment, or an assessment  
11 resulting from an addition to or correction of the assessment roll  
12 by the district, penalties and interest on an assessment or  
13 reassessment, an expense of collection, and reasonable attorney's  
14 fees incurred by the district:

15 (1) are a first and prior lien against the property  
16 assessed;

17 (2) are superior to any other lien or claim other than  
18 a lien or claim for county, school district, or municipal ad valorem  
19 taxes; and

20 (3) are the personal liability of and a charge against  
21 the owners of the property even if the owners are not named in the  
22 assessment proceedings.

23 (c) The lien is effective from the date of the board's  
24 resolution imposing the assessment until the date the assessment is  
25 paid. The board may enforce the lien in the same manner that the  
26 board may enforce an ad valorem tax lien against real property.

27 (d) The board may make a correction to or deletion from the



1 assessment roll that does not increase the amount of assessment of  
2 any parcel of land without providing notice and holding a hearing in  
3 the manner required for additional assessments.

4 SUBCHAPTER E. TAXES AND BONDS

5 Sec. 3979.0501. TAX ELECTION REQUIRED. The district must  
6 hold an election in the manner provided by Chapter 49, Water Code,  
7 or, if applicable, Chapter 375, Local Government Code, to obtain  
8 voter approval before the district may impose an ad valorem tax.

9 Sec. 3979.0502. OPERATION AND MAINTENANCE TAX. (a) If  
10 authorized by a majority of the district voters voting at an  
11 election under Section 3979.0501, the district may impose an  
12 operation and maintenance tax on taxable property in the district  
13 in the manner provided by Section 49.107, Water Code, for any  
14 district purpose, including to:

- 15 (1) maintain and operate the district;  
16 (2) construct or acquire improvements; or  
17 (3) provide a service.

18 (b) The board shall determine the operation and maintenance  
19 tax rate. The rate may not exceed the rate approved at the  
20 election.

21 (c) Section 49.107(h), Water Code, does not apply to the  
22 district.

23 Sec. 3979.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
24 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
25 terms determined by the board.

26 (b) The district, by competitive bid or negotiated sale, may  
27 issue bonds, notes, or other obligations payable wholly or partly

1 from ad valorem taxes, assessments, impact fees, revenue, contract  
2 payments, grants, or other district money, or any combination of  
3 those sources of money, to pay for any authorized district purpose.

4 (c) The limitation on the outstanding principal amount of  
5 bonds, notes, or other obligations provided by Section 49.4645,  
6 Water Code, does not apply to the district.

7 Sec. 3979.0504. BONDS SECURED BY REVENUE OR CONTRACT  
8 PAYMENTS. The district may issue, without an election, bonds  
9 secured by:

10 (1) revenue other than ad valorem taxes, including  
11 contract revenues; or

12 (2) contract payments, provided that the requirements  
13 of Section 49.108, Water Code, have been met.

14 Sec. 3979.0505. BONDS SECURED BY AD VALOREM TAXES;  
15 ELECTIONS. (a) If authorized at an election under Section  
16 3979.0501, the district may issue bonds payable from ad valorem  
17 taxes.

18 (b) Section 375.243, Local Government Code, does not apply  
19 to the district.

20 (c) At the time the district issues bonds payable wholly or  
21 partly from ad valorem taxes, the board shall provide for the annual  
22 imposition of a continuing direct annual ad valorem tax, without  
23 limit as to rate or amount, for each year that all or part of the  
24 bonds are outstanding as required and in the manner provided by  
25 Sections 54.601 and 54.602, Water Code.

26 (d) All or any part of any facilities or improvements that  
27 may be acquired by a district by the issuance of its bonds may be

1 submitted as a single proposition or as several propositions to be  
2 voted on at the election.

3 Sec. 3979.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
4 board may not issue bonds until each municipality in whose  
5 corporate limits or extraterritorial jurisdiction the district is  
6 located has consented by ordinance or resolution to the creation of  
7 the district and to the inclusion of land in the district.

8 (b) This section applies only to the district's first  
9 issuance of bonds payable from ad valorem taxes.

10 SUBCHAPTER F. SALES AND USE TAX

11 Sec. 3979.0601. APPLICABILITY OF CERTAIN TAX CODE  
12 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
13 computation, administration, enforcement, and collection of the  
14 sales and use tax authorized by this subchapter except to the extent  
15 Chapter 321, Tax Code, is inconsistent with this chapter.

16 (b) A reference in Chapter 321, Tax Code, to a municipality  
17 or the governing body of a municipality is a reference to the  
18 district or the board, respectively.

19 Sec. 3979.0602. ELECTION; ADOPTION OF TAX. (a) The  
20 district may adopt a sales and use tax if authorized by a majority  
21 of the voters of the district voting at an election held for that  
22 purpose.

23 (b) The board by order may call an election to authorize the  
24 adoption of the sales and use tax. The election may be held on any  
25 uniform election date and in conjunction with any other district  
26 election.

27 (c) The ballot shall be printed to provide for voting for or

1 against the proposition: "Authorization of a sales and use tax in  
2 the Montgomery County Management District No. 1 at a rate not to  
3 exceed \_\_\_\_\_ percent" (insert rate of one or more increments of  
4 one-eighth of one percent).

5 Sec. 3979.0603. SALES AND USE TAX RATE. (a) On or after the  
6 date the results are declared of an election held under Section  
7 3979.0602, at which the voters approved imposition of the tax  
8 authorized by this subchapter, the board shall determine and adopt  
9 by resolution or order the initial rate of the tax, which must be in  
10 one or more increments of one-eighth of one percent.

11 (b) After the election held under Section 3979.0602, the  
12 board may increase or decrease the rate of the tax by one or more  
13 increments of one-eighth of one percent.

14 (c) The initial rate of the tax or any rate resulting from  
15 subsequent increases or decreases may not exceed the lesser of:

16 (1) the maximum rate authorized by the district voters  
17 at the election held under Section 3979.0602; or

18 (2) a rate that, when added to the rates of all sales  
19 and use taxes imposed by other political subdivisions with  
20 territory in the district, would result in the maximum combined  
21 rate prescribed by Section 321.101(f), Tax Code, at any location in  
22 the district.

23 Sec. 3979.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This  
24 section applies to the district after a municipality annexes part  
25 of the territory in the district and imposes the municipality's  
26 sales and use tax in the annexed territory.

27 (b) If at the time of annexation the district has

1 outstanding debt or other obligations payable wholly or partly from  
2 district sales and use tax revenue, Section 321.102(g), Tax Code,  
3 applies to the district.

4 (c) If at the time of annexation the district does not have  
5 outstanding debt or other obligations payable wholly or partly from  
6 district sales and use tax revenue, the district may:

7 (1) exclude the annexed territory from the district,  
8 if the district has no outstanding debt or other obligations  
9 payable from any source; or

10 (2) reduce the sales and use tax in the annexed  
11 territory by resolution or order of the board to a rate that, when  
12 added to the sales and use tax rate imposed by the municipality in  
13 the annexed territory, is equal to the sales and use tax rate  
14 imposed by the district in the district territory that was not  
15 annexed by the municipality.

16 Sec. 3979.0605. NOTIFICATION OF RATE CHANGE. The board  
17 shall notify the comptroller of any changes made to the tax rate  
18 under this subchapter in the same manner the municipal secretary  
19 provides notice to the comptroller under Section 321.405(b), Tax  
20 Code.

21 Sec. 3979.0606. USE OF REVENUE. Revenue from the sales and  
22 use tax imposed under this subchapter is for the use and benefit of  
23 the district and may be used for any district purpose. The district  
24 may pledge all or part of the revenue to the payment of bonds,  
25 notes, or other obligations, and that pledge of revenue may be in  
26 combination with other revenue, including tax revenue, available to  
27 the district.

1       Sec. 3979.0607. ABOLITION OF TAX. (a) Except as provided  
2 by Subsection (b), the board may abolish the tax imposed under this  
3 subchapter without an election.

4       (b) The board may not abolish the tax imposed under this  
5 subchapter if the district has outstanding debt secured by the tax,  
6 and repayment of the debt would be impaired by the abolition of the  
7 tax.

8       (c) If the board abolishes the tax, the board shall notify  
9 the comptroller of that action in the same manner the municipal  
10 secretary provides notice to the comptroller under Section  
11 321.405(b), Tax Code.

12       (d) If the board abolishes the tax or decreases the tax rate  
13 to zero, a new election to authorize a sales and use tax must be held  
14 under Section 3979.0602 before the district may subsequently impose  
15 the tax.

16       (e) This section does not apply to a decrease in the sales  
17 and use tax authorized under Section 3979.0604(c)(2).

18                   SUBCHAPTER G. HOTEL OCCUPANCY TAX

19       Sec. 3979.0701. DEFINITION. In this subchapter, "hotel"  
20 has the meaning assigned by Section 156.001, Tax Code.

21       Sec. 3979.0702. APPLICABILITY OF CERTAIN TAX CODE  
22 PROVISIONS. (a) For purposes of this subchapter:

23               (1) a reference in Subchapter A, Chapter 352, Tax  
24 Code, to a county is a reference to the district; and

25               (2) a reference in Subchapter A, Chapter 352, Tax  
26 Code, to the commissioners court is a reference to the board.

27       (b) Except as inconsistent with this subchapter, Subchapter

1 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized  
2 by this subchapter, including the collection of the tax, subject to  
3 the limitations prescribed by Sections 352.002(b) and (c), Tax  
4 Code.

5 Sec. 3979.0703. TAX AUTHORIZED; USE OF REVENUE. The  
6 district may impose a hotel occupancy tax for any purpose described  
7 by Section 351.101 or 352.101, Tax Code.

8 Sec. 3979.0704. TAX RATE. (a) The amount of the hotel  
9 occupancy tax may not exceed the lesser of:

10 (1) the maximum rate prescribed by Section 352.003(a),  
11 Tax Code; or

12 (2) a rate that, when added to the rates of all hotel  
13 occupancy taxes imposed by other political subdivisions with  
14 territory in the district and by this state, does not exceed the sum  
15 of the rate prescribed by Section 351.0025(b), Tax Code, plus two  
16 percent.

17 (b) The district tax is in addition to a tax imposed by a  
18 municipality under Chapter 351, Tax Code, or by the county under  
19 Chapter 352, Tax Code.

20 Sec. 3979.0705. INFORMATION. The district may examine and  
21 receive information related to the imposition of hotel occupancy  
22 taxes to the same extent as if the district were a county.

23 Sec. 3979.0706. USE OF REVENUE. The district may use  
24 revenue from the hotel occupancy tax for any district purpose that  
25 is an authorized use of hotel occupancy tax revenue under Chapter  
26 351 or 352, Tax Code. The district may pledge all or part of the  
27 revenue to the payment of bonds, notes, or other obligations and

1 that pledge of revenue may be in combination with other revenue  
2 available to the district.

3 Sec. 3979.0707. ABOLITION OF TAX. (a) Except as provided  
4 by Subsection (b), the board may abolish the tax imposed under this  
5 subchapter.

6 (b) The board may not abolish the tax imposed under this  
7 subchapter if the district has outstanding debt secured by the tax,  
8 and repayment of the debt would be impaired by the abolition of the  
9 tax.

10 SUBCHAPTER I. DISSOLUTION BY BOARD

11 Sec. 3979.0901. DISSOLUTION. (a) The board shall dissolve  
12 the district on written petition filed with the board by the owners  
13 of:

14 (1) 66 percent or more of the assessed value of the  
15 property subject to assessment by the district based on the most  
16 recent certified county property tax rolls; or

17 (2) 66 percent or more of the surface area of the  
18 district, excluding roads, streets, highways, utility  
19 rights-of-way, other public areas, and other property exempt from  
20 assessment by the district according to the most recent certified  
21 county property tax rolls.

22 (b) The board by majority vote may dissolve the district at  
23 any time.

24 (c) The district may not be dissolved by its board under  
25 Subsection (a) or (b) if the district:

26 (1) has any outstanding bonded indebtedness until that  
27 bonded indebtedness has been repaid or defeased in accordance with



1 the order or resolution authorizing the issuance of the bonds;

2 (2) has a contractual obligation to pay money until  
3 that obligation has been fully paid in accordance with the  
4 contract; or

5 (3) owns, operates, or maintains public works,  
6 facilities, or improvements unless the district contracts with  
7 another person for the ownership, operation, or maintenance of the  
8 public works, facilities, or improvements.

9 (d) Sections 375.261, 375.262, and 375.264, Local  
10 Government Code, do not apply to the district.

11 SECTION 2. The Montgomery County Management District No. 1  
12 initially includes all the territory contained in the following  
13 area:

14 TRACT 1

15 A metes and bounds description of a 279.07 acre tract of land  
16 situated in the Edward Taylor Survey, Abstract Number 554,  
17 Montgomery County, Texas; being all of a called 279.65 acre tract  
18 conveyed to Mitchell Energy Corporation by Surface Deed and  
19 Subsurface Easement dated January 1, 1995 and filed for record  
20 under Clerk's File No. 9509774 of the Montgomery County Official  
21 Public Records of Real Property; said 279.07 acres being more  
22 particularly described as follows with all bearing based on the  
23 Texas Coordinate System of 1983, Central Zone:

24 BEGINNING at a found 1/2-inch iron rod in the apparent west  
25 right-of-way of Cripple Creek Drive North, for an angle corner in  
26 the north line of Lot 1 of Galleria Oaks Estates as shown on a plat  
27 filed for record in Cabinet B, Sheet 79 of the Montgomery County Map

1 Records and the southeast corner of said 279.65 acres, same being  
2 the southeast corner of the herein described tract, from which a  
3 found 1/2-inch iron rod bears North 77°23'58" East, 38.23 feet;

4         THENCE, South 86°25'45" West, along the north line of Lots 1-  
5 7 of said Galleria Oaks Estates and the south line of said 279.65  
6 acres, passing a found 1-inch iron pipe at 244.84 feet, a found axle  
7 at 544.26 feet, 5.56 feet right, a found 8-inch by 8-inch concrete  
8 monument at 544.89 feet, 4.90 feet right, and a found 1-inch iron  
9 pipe at 1170.28 feet, continuing for a total distance of 1988.05  
10 feet (called 1997.31) to a set 3/4-inch iron rod (with cap stamped  
11 "Jones|Carter Property Corner") in the northeast right-of-way of  
12 the Union Pacific Railroad (formerly I & G.N. Railroad Company)  
13 (width varies) filed for record under Volume 26, Page 351 of the  
14 Montgomery County Deed Records, for the south corner of the herein  
15 described tract, from which a found 8-inch by 8-inch concrete  
16 monument bears South 86°25'45" West, 9.14 feet;

17         THENCE, along the northeast right-of-way of the said Union  
18 Pacific Railroad and the southwest line of the herein described  
19 tract the following five (5) courses and distances:

20         1. North 59°15'02" West, 1127.60 feet, departing the north  
21 line of said Lot 7, to a set 3/4-inch iron rod (with cap stamped  
22 "Jones|Carter Property Corner");

23         2. North 30°44'58" East, 25.00 feet to a set 3/4-inch iron  
24 rod (with cap stamped "Jones|Carter Property Corner");

25         3. North 59°15'02" West, 600.00 feet to a set 3/4-inch iron  
26 rod (with cap stamped "Jones|Carter Property Corner");

27         4. South 30°44'58" West, 25.00 feet to a set 3/4-inch iron

1 rod (with cap stamped "Jones|Carter Property Corner");

2           5. North 59°15'02" West, 1371.85 feet to a set 3/4-inch iron  
3 rod (with cap stamped "Jones|Carter Property Corner") in the south  
4 line of a called 139.384 acre tract conveyed to Norma Helen  
5 Schoessow by Special Warranty Deed dated October 23, 1995 and filed  
6 for record under Clerk's File No. 9559657 of the Montgomery County  
7 Official Public Records of Real Property, for the west corner of the  
8 herein described tract, from which a found 8-inch by 8-inch  
9 concrete monument bears South 87°11'00" East, 8.79 feet;

10           THENCE, North 87°11'00" East, 2105.63 feet (called 2114.59  
11 feet), departing the northeast right-of-way of the said Union  
12 Pacific Railroad, along the south line of said 139.384 acres, a  
13 north line of said 279.65 acres, and a north line of the herein  
14 described tract to a found 8-inch by 8-inch concrete monument, for  
15 an angle corner for said 139.384 acres, said 279.65 acres, and the  
16 herein described tract;

17           THENCE, North 32°44'24" East, along the southeast line of said  
18 139.384 acres, the northwest line of said 279.65 acres, and the  
19 northwest line of the herein described tract, passing a found  
20 1/2-inch iron rod (bent) at 2037.03 feet, 4.74 feet right,  
21 continuing for a total distance of 2056.48 feet to a found 1-inch  
22 pinched top pipe, for an angle corner for said 139.384 acres, said  
23 279.65 acres, and the herein described tract;

24           THENCE, North 02°29'44" West, 2678.96 feet (called 2681.84  
25 feet) along the east line of said 139.384 acres, the west line of  
26 said 279.65 acres, and the west line of the herein described tract  
27 to a found 8-inch by 8-inch concrete monument in the south line of a

1 called 77.051 acre tract conveyed to Susan Halstead, Vincent S.  
2 Halstead, Steven B. Schoessow, Clarice J. Fore, Curtis F.  
3 Schoessow, Douglas P. Schoessow, Jana B. McNeil and Adrienne Leigh  
4 Fore by Gift Deed dated October 10, 2014 and filed for record under  
5 Clerk's File No. 2014100067 of the Montgomery County Official  
6 Public Records of Real Property, for the northeast corner of said  
7 139.384 acres and the northwest corner of said 279.65 acres, same  
8 being the northwest corner of the herein described tract, from  
9 which a found 1/2-inch iron pipe bears North 01°41'45" East, 0.61  
10 feet;

11           THENCE, North 86°56'34" East, along the south line of said  
12 77.051 acres, the north line of said 279.65 acres, and the north  
13 line of the herein described tract, passing a found 1-inch pinched  
14 top pipe at 298.14 feet, continuing along the north line of said  
15 279.65 acres and the north line of the herein described tract for a  
16 total distance of 715.80 feet to a set 3/4-inch iron rod (with cap  
17 stamped "Jones|Carter Property Corner") for an angle corner;

18           THENCE, North 86°38'34" East, 561.72 feet (called 561.50  
19 feet), continuing along the north line of said 279.65 acres and the  
20 north line of the herein described tract to a found 1/2-inch iron  
21 pipe in the apparent east line of the Edward Taylor Survey, Abstract  
22 Number 554 and the apparent west line of the Leander Wescott Survey,  
23 Abstract Number 616, for the southeast corner of a called 10 acre  
24 tract conveyed to Axe Em Investments, L.P. by Special Warranty Deed  
25 dated October 1, 2003 and filed for record under Clerk's File  
26 No. 2003-134286 of the Montgomery County Official Public Records of  
27 Real Property and the northeast corner of said 279.65 acres, same

1 being the northeast corner of the herein described tract, from  
2 which a found 1/2-inch iron rod bears North 03°18'03" West, 941.08  
3 feet;

4       THENCE, South 02°35'38" East, along the apparent east line of  
5 the Edward Taylor Survey, Abstract Number 554, the apparent west  
6 line of the Leander Wescott Survey, Abstract Number 616, the east  
7 line of said 279.65 acres and the east line of the herein described  
8 tract, passing a found 1/2-inch iron pipe at a distance of 2090.96  
9 feet, 12.71 feet right, a found 5/8-inch iron rod at a distance of  
10 2094.87 feet, 12.74 feet right and a found 3/4-inch iron rod (with  
11 cap stamped "Jones|Carter Property Corner") (previously set for  
12 survey of adjoining acreage) at a distance of 2107.96 feet,  
13 continuing along apparent east line of the Edward Taylor Survey,  
14 Abstract Number 554, the apparent west line of the Robin George  
15 Survey, Abstract Number 470, the apparent west line of the Leander  
16 Wescott Survey, Abstract Number 615, the west line of Block 4 of  
17 Cripple Creek Farms North Section Three (an unrecorded  
18 subdivision), the east line of said 279.65 acres and the east line  
19 of the herein described tract, same being the common line of a  
20 Boundary Agreement dated August 11, 1958 filed for record in Volume  
21 458, Page 386 of the Montgomery County Deed Records, passing a found  
22 1/2-inch iron pipe at a distance of 2978.61 feet, 4.46 feet right, a  
23 found 1/2-inch iron pipe at a distance of 3178.70 feet, 4.50 feet  
24 right, a found 5/8-inch iron rod at a distance of 3408.76 feet, 4.96  
25 feet right, a found 1/2-inch iron pipe at a distance of 3638.37  
26 feet, 5.76 feet right, a found 1/2-inch iron pipe at a distance of  
27 3846.97 feet, 5.42 feet right, a found 1/2-inch iron pipe at a

1 distance of 4046.44 feet, 4.77 feet right, a found 3/4-inch iron rod  
2 at a distance of 4246.56 feet, 4.32 feet right, a found 1/2-inch  
3 iron pipe at a distance of 4446.96 feet, 5.22 feet right, a found  
4 1/2-inch iron pipe at a distance of 4646.61 feet, 6.40 feet right, a  
5 found 5/8-inch iron rod at a distance of 4845.95 feet, 6.30 feet  
6 right, a found 1/2-inch iron pipe at a distance of 5044.96 feet,  
7 6.79 feet right, a found 1/2-inch iron pipe at a distance of 5644.64  
8 feet, 6.54 feet right, a found 1/4-inch iron pipe at a distance of  
9 5665.25 feet, 7.16 feet right, a found 5/8-inch iron rod at a  
10 distance of 5665.30 feet, 6.86 feet right, continuing for a total  
11 distance of 6047.81 feet (called 6051.88 feet) to the POINT OF  
12 BEGINNING, CONTAINING 279.07 acres of land in Montgomery County,  
13 Texas, as shown on drawing number 9629-A.

14 TRACT 2

15 A METES AND BOUNDS description of a 842.23 acre tract of land  
16 situated in the Charles Frazier Survey, Abstract Number 206, the  
17 Andrew J. Hensley Survey, Abstract Number 255, the Azariah Prather  
18 Survey, Abstract Number 427 and the Leander Wescott Survey,  
19 Abstract Number 616, Montgomery County, Texas; being out of and a  
20 part of a called 881.183 acre tract (Tract 1) conveyed to Mitchell  
21 Energy Corporation by Special Warranty Deed dated July 31, 1997 and  
22 filed for record under Clerk's File No. 9746155 of the Montgomery  
23 County Official Public Records of Real Property; said 842.23 acres  
24 being more particularly described as follows with all bearings  
25 based on the Texas Coordinate System of 1983, Central Zone:

26 BEGINNING at a found 3-inch iron pipe for the north corner  
27 Greentree Forest Estates (an Unrecorded Subdivision), same being an

1 interior corner of the herein described tract;

2           THENCE, South 42°47'48" West, along the northwest line of said  
3 Greentree Forest Estates and a southeast line of said 881.183  
4 acres, passing a found 5/8-inch iron rod at 256.52 feet, a found  
5 1/2-inch iron rod at 374.49 feet, 0.17 feet left, a found 5/8-inch  
6 iron rod at 847.40 feet, a found 5/8-inch iron rod at 965.59 feet,  
7 0.38 feet right, a found 1/2-inch iron rod at 1202.01 feet, a found  
8 1/2-inch iron rod at 1442.52 feet, 1.05 feet right, a found 5/8-inch  
9 iron rod at 1686.50 feet and a found 1/2-inch iron rod at 1921.45  
10 feet, continuing for a total distance of 2155.95 feet (called  
11 2155.95 feet) to a set 3/4-inch iron rod (with cap stamped  
12 "Jones|Carter Property Corner") in the northeast line of called  
13 4.615 acre tract, known as Tract 17, Block 4 of Cripple Creek Farms  
14 North Section Three (an unrecorded subdivision), conveyed to Larry  
15 Dan McQuerry and wife, Mary Margaret McQuerry by General Warranty  
16 Deed dated April 2, 1980 and filed for record under Clerk's File  
17 No. 8011618 of the Montgomery County Official Public Records of  
18 Real Property, for a southwest corner of the herein described  
19 tract, from which a found 1/2-inch iron rod bears South 47°45'18"  
20 East, 171.07 feet;

21           THENCE, North 47°25'32" West, 433.31 feet (called 1246.42  
22 feet), departing the northwest line of said Greentree Forest  
23 Estates, along the northeast line of said 4.615 acres and a  
24 southwest line of said 881.183 acres to a set 3/4-inch iron rod  
25 (with cap stamped "Jones|Carter Property Corner") in the east line  
26 of a called 279.65 acre tract conveyed to Mitchell Energy  
27 Corporation by Surface Deed and Subsurface Easement dated January

1 1, 1995 and file for record under Clerk's File No. 9509774 of the  
2 Montgomery County Official Public Records of Real Property, same  
3 being the apparent east line of the Edward Taylor Survey, Abstract  
4 Number 554 and the apparent west line of the Leander Wescott Survey,  
5 Abstract Number 616, from which found 3-1/2" iron pipe bears North  
6 47°25'32" West, 812.94 feet, and a found 1/2-inch iron rod bears  
7 South 02°35'38" East, 3939.85 feet;

8         THENCE, North 02°35'38" West, departing the northeast line of  
9 said 4.615 acres, along the east line of said 279.65 acres, the  
10 apparent east line of the Edward Taylor Survey, Abstract Number 554  
11 and the apparent west line of the Leander Wescott Survey, Abstract  
12 Number 616, passing a 5/8-inch iron rod at 13.09 feet, 12.74 feet  
13 left and a found 1/2-inch iron pipe at 17.01 feet, 12.71 feet left,  
14 continuing for a total distance of 2107.96 feet to a found 1/2-inch  
15 iron pipe for the southeast corner of a called 10 acre tract  
16 conveyed to Axe Em Investments, L.P. by Special Warranty Deed dated  
17 October 1, 2003 and filed for record under Clerk's File  
18 No. 2003-134286 of the Montgomery County Official Public Records of  
19 Real Property, the northeast corner of said 279.65 acres and an  
20 angle point in the west line of the herein described tract, from  
21 which a found 3/4-inch iron rod (with cap stamped "Jones|Carter  
22 Property Corner") bears South 86°38'34" West, 561.72 feet;

23         THENCE, North 03°18'03" West, continuing along the apparent  
24 east line of the Edward Taylor Survey, Abstract Number 554, the  
25 apparent west line of the Leander Wescott Survey, Abstract Number  
26 616, and the east line of said 10 acres, passing a 1/2-inch iron rod  
27 at 220.99 feet, continuing along the east line of said 10 acres, the



1 east line of a called 5 acre tract and another called 10 acre tract  
2 (hereinafter referred to as "northern 10 acres"), both conveyed to  
3 Axe Em Investments, L.P. by Special Warranty Deed dated October 1,  
4 2003 and filed for record under Clerk's File No. 2003-134286 of the  
5 Montgomery County Official Public Records of Real Property for a  
6 total distance of 941.08 feet to a found 1/2-inch iron rod in the  
7 north line of said 881.183 acres for an angle point in the south  
8 line of a called 757.02 acre tract ("Tract III") conveyed to 1488  
9 Corp. by Special Warranty Deed dated December 29, 2015 and filed for  
10 record under Clerk's File No. 2016002467 of the Montgomery County  
11 Official Public Records of Real Property, same being the northwest  
12 corner of the herein described tract, from which a found axle bears  
13 North 48°48'43" West, 728.19 feet and a found 3/4-inch pinched top  
14 pipe bears North 03°04'57" West, 1286.89 feet;

15           THENCE, departing the east line of said northern 10 acres,  
16 the apparent east line of the Edward Taylor Survey, Abstract Number  
17 554 and the apparent west line of the Leander Wescott Survey,  
18 Abstract Number 616, along the south line of said 757.02 acres and  
19 the north line of said 881.183 acres the following six (6) courses  
20 and distances:

21           1. South 48°52'00" East, 593.66 feet (called 1321.86 feet)  
22 to a found 3-inch iron pipe for an angle point;

23           2. North 42°00'28" East, 807.36 feet (called 807.98 feet) to  
24 a found 3-inch iron pipe;

25           3. North 43°20'46" East, 781.14 feet (called 779.36 feet) to  
26 a found 3/4-inch iron pipe;

27           4. North 41°41'25" East, 1538.43 feet (called 1540.14 feet)

1 to a found 3-inch iron pipe;

2           5. North 42°24'04" East, 777.81 feet (called 778.99 feet) to  
3 a found 1/2-inch iron rod;

4           6. North 42°15'57" East, 706.71 feet (called 710.25 feet) to  
5 a point in the centerline of Mill Creek, for the west corner of a  
6 called 6.11186 acre tract, known as Tract 12 of Wildwood Estates (an  
7 unrecorded subdivision), conveyed to John M. Burdick and wife,  
8 Sandra A. Burdick by Warranty Deed dated October 14, 1991 and file  
9 for record under Clerk's File No. 9148107 of the Montgomery County  
10 Official Public Records of Real Property, same being the north  
11 corner of said 881.183 acres and the herein described tract, from  
12 which a found 1-inch iron pipe bears North 42°15'57" East, 1881.50  
13 feet;

14           THENCE, departing the south line of said 757.02 acres, along  
15 the centerline meanders of said Mill Creek, same being the east line  
16 of said 881.183 acres, the following two-hundred and forty-six  
17 (246) courses and distances:

- 18           1. South 12°18'18" East, 20.94 feet to a point;
- 19           2. South 22°23'59" East, 74.66 feet to a point;
- 20           3. South 42°53'52" West, 46.44 feet to a point;
- 21           4. South 36°58'56" West, 46.01 feet to a point;
- 22           5. South 09°52'55" East, 37.33 feet to a point;
- 23           6. North 87°56'29" East, 80.12 feet to a point;
- 24           7. South 45°12'31" East, 17.10 feet to a point;
- 25           8. South 10°52'22" East, 26.87 feet to a point;
- 26           9. South 02°05'39" East, 26.13 feet to a point;
- 27           10. South 12°44'29" East, 19.29 feet to a point;

- 1 11. South 04°45'43" West, 43.16 feet to a point;
- 2 12. South 35°59'36" East, 36.12 feet to a point;
- 3 13. South 09°16'25" West, 32.54 feet to a point;
- 4 14. South 12°40'55" West, 171.14 feet to a point;
- 5 15. South 06°14'53" East, 70.78 feet to a point;
- 6 16. South 41°23'52" East, 61.54 feet to a point;
- 7 17. South 14°42'38" East, 130.27 feet to a point;
- 8 18. South 23°55'53" East, 126.21 feet to a point;
- 9 19. South 10°03'51" East, 50.67 feet to a point;
- 10 20. South 36°50'20" East, 107.39 feet to a point;
- 11 21. South 10°43'38" East, 60.21 feet to a point;
- 12 22. South 21°14'15" West, 153.28 feet to a point;
- 13 23. South 22°33'14" West, 58.07 feet to a point;
- 14 24. South 05°35'01" West, 20.25 feet to a point;
- 15 25. South 61°22'44" East, 38.41 feet to a point;
- 16 26. South 69°02'33" East, 58.99 feet to a point;
- 17 27. South 12°12'50" East, 124.16 feet to a point;
- 18 28. South 32°31'48" East, 44.10 feet to a point;
- 19 29. South 57°36'47" East, 61.05 feet to a point;
- 20 30. South 53°27'39" East, 56.94 feet to a point;
- 21 31. South 33°14'19" East, 97.80 feet to a point;
- 22 32. South 21°00'11" East, 47.88 feet to a point;
- 23 33. South 00°14'08" West, 9.48 feet to a point;
- 24 34. South 35°38'34" West, 15.42 feet to a point;
- 25 35. South 05°09'49" West, 35.23 feet to a point;
- 26 36. South 41°24'16" East, 29.71 feet to a point;
- 27 37. South 59°26'29" East, 22.32 feet to a point;

- 1 38. South 69°02'33" East, 324.70 feet to a point;
- 2 39. South 85°20'52" East, 48.71 feet to a point;
- 3 40. North 78°12'44" East, 26.46 feet to a point;
- 4 41. North 42°26'02" East, 37.26 feet to a point;
- 5 42. North 09°57'57" East, 21.44 feet to a point;
- 6 43. North 71°11'45" West, 44.32 feet to a point;
- 7 44. North 43°20'43" West, 8.72 feet to a point;
- 8 45. North 01°04'41" West, 22.38 feet to a point;
- 9 46. North 21°27'17" East, 14.55 feet to a point;
- 10 47. North 35°12'16" East, 57.34 feet to a point;
- 11 48. South 40°49'24" East, 26.21 feet to a point;
- 12 49. South 26°33'49" East, 19.14 feet to a point;
- 13 50. South 78°44'47" East, 39.61 feet to a point;
- 14 51. South 42°37'50" East, 117.76 feet to a point;
- 15 52. South 63°31'02" East, 54.42 feet to a point;
- 16 53. North 86°22'35" East, 14.48 feet to a point;
- 17 54. South 83°23'38" East, 50.81 feet to a point;
- 18 55. South 41°53'26" East, 37.41 feet to a point;
- 19 56. South 10°42'29" East, 156.83 feet to a point;
- 20 57. South 50°37'37" East, 26.55 feet to a point;
- 21 58. South 35°05'48" East, 74.85 feet to a point;
- 22 59. South 34°45'59" East, 50.28 feet to a point;
- 23 60. South 63°14'51" East, 163.53 feet to a point;
- 24 61. South 87°53'24" East, 20.12 feet to a point;
- 25 62. North 48°15'22" East, 95.09 feet to a point;
- 26 63. South 57°40'49" East, 12.18 feet to a point;
- 27 64. South 55°52'46" East, 39.03 feet to a point;

- 1 65. South 30°38'19" East, 13.33 feet to a point;
- 2 66. South 17°12'36" East, 20.13 feet to a point;
- 3 67. South 54°53'29" East, 145.28 feet to a point;
- 4 68. South 66°39'02" East, 56.87 feet to a point;
- 5 69. South 75°44'05" East, 87.52 feet to a point;
- 6 70. South 58°53'21" East, 90.35 feet to a point;
- 7 71. North 88°28'59" East, 42.27 feet to a point;
- 8 72. South 56°16'37" East, 181.99 feet to a point;
- 9 73. South 40°53'21" East, 125.58 feet to a point;
- 10 74. South 31°26'40" West, 50.99 feet to a point;
- 11 75. South 28°10'18" West, 24.21 feet to a point;
- 12 76. South 77°29'22" East, 19.73 feet to a point;
- 13 77. South 50°09'42" East, 96.47 feet to a point;
- 14 78. South 56°32'41" East, 38.23 feet to a point;
- 15 79. South 54°49'44" East, 31.98 feet to a point;
- 16 80. North 77°40'42" East, 30.26 feet to a point;
- 17 81. North 80°05'57" East, 64.03 feet to a point;
- 18 82. South 66°03'01" East, 290.35 feet to a point;
- 19 83. South 63°25'23" East, 170.62 feet to a point;
- 20 84. South 62°41'27" East, 181.12 feet to a point;
- 21 85. South 49°53'40" East, 59.94 feet to a point;
- 22 86. South 39°07'27" East, 46.28 feet to a point;
- 23 87. South 05°14'20" West, 92.52 feet to a point;
- 24 88. South 63°37'44" West, 38.32 feet to a point;
- 25 89. South 46°52'08" West, 17.69 feet to a point;
- 26 90. South 30°30'24" West, 32.48 feet to a point;
- 27 91. South 52°08'30" West, 30.87 feet to a point;

- 1 92. North 88°59'43" West, 56.63 feet to a point;
- 2 93. South 40°10'42" West, 137.98 feet to a point;
- 3 94. South 17°29'36" West, 77.42 feet to a point;
- 4 95. South 00°37'28" East, 30.27 feet to a point;
- 5 96. South 83°36'36" East, 64.24 feet to a point;
- 6 97. South 86°39'20" East, 105.45 feet to a point;
- 7 98. South 46°06'16" East, 176.19 feet to a point;
- 8 99. South 56°22'42" East, 61.38 feet to a point;
- 9 100. South 53°51'41" East, 64.61 feet to a point;
- 10 101. North 46°16'54" East, 19.60 feet to a point;
- 11 102. North 42°53'51" East, 33.81 feet to a point;
- 12 103. North 81°54'47" East, 105.65 feet to a point;
- 13 104. South 78°49'30" East, 53.59 feet to a point;
- 14 105. South 39°53'14" East, 18.21 feet to a point;
- 15 106. South 27°02'07" East, 57.44 feet to a point;
- 16 107. South 40°36'08" East, 83.23 feet to a point;
- 17 108. South 36°14'03" East, 104.79 feet to a point;
- 18 109. South 21°55'33" West, 120.32 feet to a point;
- 19 110. South 45°28'18" West, 24.82 feet to a point;
- 20 111. North 87°16'18" West, 60.19 feet to a point;
- 21 112. South 04°03'57" West, 40.49 feet to a point;
- 22 113. South 19°30'55" West, 113.56 feet to a point;
- 23 114. South 17°09'33" West, 26.63 feet to a point;
- 24 115. South 06°32'51" West, 52.58 feet to a point;
- 25 116. South 48°03'00" East, 198.07 feet to a point;
- 26 117. South 78°07'22" East, 39.83 feet to a point;
- 27 118. South 45°15'38" East, 108.53 feet to a point;

- 1 119. South 15°27'32" East, 74.05 feet to a point;
- 2 120. South 29°42'12" East, 187.05 feet to a point;
- 3 121. South 10°51'23" East, 98.64 feet to a point;
- 4 122. South 13°57'22" West, 16.81 feet to a point;
- 5 123. South 05°41'13" East, 152.49 feet to a point;
- 6 124. South 04°31'17" East, 117.06 feet to a point;
- 7 125. South 04°48'51" West, 67.94 feet to a point;
- 8 126. South 20°51'03" West, 86.27 feet to a point;
- 9 127. South 48°35'35" West, 63.11 feet to a point;
- 10 128. South 48°58'11" West, 27.31 feet to a point;
- 11 129. South 41°19'59" West, 147.94 feet to a point;
- 12 130. South 16°43'24" West, 51.25 feet to a point;
- 13 131. South 38°48'25" West, 129.88 feet to a point;
- 14 132. South 48°43'18" West, 33.26 feet to a point;
- 15 133. South 49°33'27" West, 63.28 feet to a point;
- 16 134. South 34°02'23" West, 138.93 feet to a point;
- 17 135. South 43°19'50" West, 77.02 feet to a point;
- 18 136. South 21°42'27" East, 21.32 feet to a point;
- 19 137. South 19°31'50" East, 69.55 feet to a point;
- 20 138. South 10°43'23" East, 164.23 feet to a point;
- 21 139. South 50°46'56" East, 96.05 feet to a point;
- 22 140. South 38°12'17" East, 124.95 feet to a point;
- 23 141. South 14°25'39" East, 40.20 feet to a point;
- 24 142. South 04°53'50" East, 123.95 feet to a point;
- 25 143. South 32°39'47" East, 115.61 feet to a point;
- 26 144. South 15°59'49" East, 145.05 feet to a point;
- 27 145. South 44°34'59" East, 144.65 feet to a point;

- 1 146. South 62°03'10" East, 95.40 feet to a point;
- 2 147. South 79°38'44" East, 72.91 feet to a point;
- 3 148. South 10°24'52" East, 229.66 feet to a point;
- 4 149. North 68°22'11" West, 80.47 feet to a point;
- 5 150. South 07°25'05" East, 48.42 feet to a point;
- 6 151. South 02°41'47" West, 198.27 feet to a point;
- 7 152. South 43°12'25" West, 88.27 feet to a point;
- 8 153. South 51°53'13" West, 53.80 feet to a point;
- 9 154. South 46°45'22" East, 42.20 feet to a point;
- 10 155. South 61°43'29" East, 161.36 feet to a point;
- 11 156. South 28°19'40" East, 101.12 feet to a point;
- 12 157. South 32°48'06" East, 144.76 feet to a point;
- 13 158. South 50°37'24" East, 51.47 feet to a point;
- 14 159. South 28°01'42" East, 126.58 feet to a point;
- 15 160. South 38°57'45" East, 107.31 feet to a point;
- 16 161. South 50°24'34" East, 71.71 feet to a point;
- 17 162. South 09°29'22" East, 212.34 feet to a point;
- 18 163. South 00°20'59" West, 132.90 feet to a point;
- 19 164. South 19°40'54" East, 86.34 feet to a point;
- 20 165. South 14°58'26" West, 140.70 feet to a point;
- 21 166. South 10°08'09" West, 74.76 feet to a point;
- 22 167. South 53°21'21" West, 115.04 feet to a point;
- 23 168. South 27°54'49" West, 62.71 feet to a point;
- 24 169. South 34°48'30" East, 61.40 feet to a point;
- 25 170. South 66°20'22" East, 141.85 feet to a point;
- 26 171. South 72°53'56" East, 64.16 feet to a point;
- 27 172. South 80°40'10" East, 93.92 feet to a point;



- 1 173. North 88°21'42" East, 215.53 feet to a point;
- 2 174. North 72°22'13" East, 72.02 feet to a point;
- 3 175. North 30°33'22" East, 51.13 feet to a point;
- 4 176. North 53°06'11" East, 67.65 feet to a point;
- 5 177. South 89°23'41" East, 60.02 feet to a point;
- 6 178. North 69°42'48" East, 89.16 feet to a point;
- 7 179. North 84°21'21" East, 28.12 feet to a point;
- 8 180. South 65°03'29" East, 63.15 feet to a point;
- 9 181. South 24°31'20" East, 153.15 feet to a point;
- 10 182. South 79°55'10" East, 74.23 feet to a point;
- 11 183. South 30°19'44" East, 69.41 feet to a point;
- 12 184. South 26°36'17" West, 67.33 feet to a point;
- 13 185. South 51°53'55" East, 28.30 feet to a point;
- 14 186. South 48°09'02" East, 20.98 feet to a point;
- 15 187. South 69°54'32" East, 42.71 feet to a point;
- 16 188. South 49°35'02" East, 114.15 feet to a point;
- 17 189. South 61°51'29" East, 70.82 feet to a point;
- 18 190. North 56°45'53" East, 81.24 feet to a point;
- 19 191. North 10°22'42" West, 27.52 feet to a point;
- 20 192. North 44°20'07" West, 46.76 feet to a point;
- 21 193. North 14°23'02" West, 40.60 feet to a point;
- 22 194. North 81°26'55" East, 88.16 feet to a point;
- 23 195. South 81°27'52" East, 225.26 feet to a point;
- 24 196. North 50°13'30" East, 52.21 feet to a point;
- 25 197. South 83°42'53" East, 38.65 feet to a point;
- 26 198. South 53°20'17" East, 54.33 feet to a point;
- 27 199. South 34°41'44" East, 78.36 feet to a point;

- 1 200. South 04°59'36" West, 17.83 feet to a point;
- 2 201. South 75°56'24" West, 26.48 feet to a point;
- 3 202. North 80°06'10" West, 22.44 feet to a point;
- 4 203. South 15°30'22" West, 102.03 feet to a point;
- 5 204. South 77°49'42" West, 77.55 feet to a point;
- 6 205. South 05°43'31" West, 17.16 feet to a point;
- 7 206. South 36°38'48" East, 52.50 feet to a point;
- 8 207. South 22°17'18" West, 18.42 feet to a point;
- 9 208. South 46°04'19" West, 106.13 feet to a point;
- 10 209. South 00°20'40" East, 46.25 feet to a point;
- 11 210. North 86°03'23" East, 65.78 feet to a point;
- 12 211. South 88°15'33" East, 59.39 feet to a point;
- 13 212. South 72°52'21" East, 84.16 feet to a point;
- 14 213. South 22°30'03" East, 31.04 feet to a point;
- 15 214. South 07°37'19" West, 34.13 feet to a point;
- 16 215. South 13°51'28" East, 32.68 feet to a point;
- 17 216. South 42°01'46" East, 82.75 feet to a point;
- 18 217. South 32°57'14" East, 31.07 feet to a point;
- 19 218. South 26°42'20" West, 36.83 feet to a point;
- 20 219. South 51°10'47" West, 104.44 feet to a point;
- 21 220. South 78°09'38" West, 133.44 feet to a point;
- 22 221. North 65°18'54" West, 40.51 feet to a point;
- 23 222. North 20°57'04" West, 19.22 feet to a point;
- 24 223. North 20°58'16" East, 21.54 feet to a point;
- 25 224. North 31°10'24" West, 21.19 feet to a point;
- 26 225. South 86°54'36" West, 98.56 feet to a point;
- 27 226. South 62°17'52" West, 61.48 feet to a point;

1           227.   South 10°48'36" West, 14.13 feet to a point;  
2           228.   South 68°28'09" West, 146.02 feet to a point;  
3           229.   South 66°50'57" West, 13.98 feet to a point;  
4           230.   South 54°14'31" West, 9.13 feet to a point;  
5           231.   South 28°53'35" West, 47.36 feet to a point;  
6           232.   South 14°53'51" East, 38.67 feet to a point;  
7           233.   South 33°16'15" West, 110.49 feet to a point;  
8           234.   South 25°51'57" West, 87.36 feet to a point;  
9           235.   South 24°40'48" West, 168.46 feet to a point;  
10          236.   South 18°07'49" West, 119.57 feet to a point;  
11          237.   South 07°55'38" West, 73.03 feet to a point;  
12          238.   South 30°22'38" East, 68.89 feet to a point;  
13          239.   South 08°41'13" West, 43.89 feet to a point;  
14          240.   South 20°25'31" West, 64.73 feet to a point;  
15          241.   South 06°48'07" West, 63.29 feet to a point;  
16          242.   South 07°37'07" West, 39.79 feet to a point;  
17          243.   South 28°55'17" West, 36.09 feet to a point;  
18          244.   South 66°13'24" West, 56.17 feet to a point;  
19          245.   South 43°02'27" West, 59.63 feet to a point;  
20          246.   South 13°44'31" West, 6.84 feet to a point in the  
21 northeast line of Mill Creek Forest as shown on a plat filed for  
22 record in Volume 5, Page 491 of the Montgomery County Deed Records  
23 for the most southerly corner of said 881.183 acres and the herein  
24 described tract;

25           THENCE, North 46°43'05" West, departing the centerline  
26 meanders of said Mill Creek, along the northeast line of said Mill  
27 Creek Forest, and the southwest line of said 881.183 acres, passing

1 a found 1/2-inch iron rod (with cap stamped "Reinke 3971") at 61.41  
2 feet, continuing for a total distance of 397.79 feet (called  
3 414.06) to a found 1/2-inch iron rod (with cap stamped "Geomatics  
4 Inc.") for the north corner of said Mill Creek Forest, and an  
5 interior corner of said 881.183 acres and the herein described  
6 tract;

7         THENCE, South 43°03'45" West, along the northwest line of said  
8 Mill Creek Forest and a southeast line of said 881.183 acres,  
9 passing a found 3/4-inch iron pipe at 104.79 feet, 0.97 feet right,  
10 continuing for a total distance of 198.18 feet (called 192.78 feet)  
11 to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property  
12 Corner") for the east corner of Lot 14, Block 44 of Hazy Hollow East  
13 Estates Section 7 (an unrecorded subdivision) conveyed to Malcom  
14 James Johnson by Warranty Deed dated April 5, 1991 and filed for  
15 record under Clerk's File No. 9230908 of the Montgomery County  
16 Official Public Records of Real Property, a south corner of said  
17 881.183 acres and the herein described tract;

18         THENCE, departing the northwest line of said Mill Creek  
19 Forest along the southwest line of said 881.183 acres and the herein  
20 described tract the following seven (7) courses and distances:

21         1. North 47°15'15" West, along the northeast line said Hazy  
22 Hollow East Estates Section 7, passing a found 3/8-inch iron rod at  
23 1321.03 feet, 1.17 feet left, passing a found 1/2-inch iron rod at  
24 1429.95 feet, 1.21 feet left, continuing for a total distance of  
25 1755.51 feet to an angle point, from which a found 1/2-inch iron rod  
26 bears North 21°27'43" West 4.22 feet;

27         2. North 47°29'30" West, along the northeast line of said

1 Hazy Hollow East Estates Section 7 and the northeast line of Hazy  
2 Hollow East Estates Section 4 (an unrecorded subdivision), passing  
3 a found 3/8-inch iron rod at 393.30 feet, 1.24 feet right,  
4 continuing for a total distance of 711.72 feet to a point;

5         3. North 47°20'39" West, along the northeast line of Hazy  
6 Hollow East Estates Section 10 (an unrecorded subdivision), passing  
7 a found 3/8-inch iron rod at 126.64 feet, 2.16 feet right, passing a  
8 found 3/8-inch iron rod at 375.33 feet, 1.09 feet right, passing a  
9 found 3/8-inch iron rod at 499.77 feet, 0.63 feet right, continuing  
10 for a total distance of 527.41 feet to a point;

11         4. North 47°17'20" West, along the northeast line of said  
12 Hazy Hollow East Estates Section 10, passing a found 5/8-inch iron  
13 rod at 96.90 feet, 0.38 feet right, a found 1/2-inch iron rod (bent)  
14 at 289.53 feet, a found 3/8-inch iron rod at 422.16 feet, 0.24 feet  
15 right, a found 1/2-inch iron rod at 554.92 feet, a found 5/8-inch  
16 iron rod at 687.54 feet, a found 3/8-inch iron rod at 1116.06 feet,  
17 0.31 feet left, a found 3/8-inch iron rod at 1239.11 feet, 0.41 feet  
18 left, a found 3/8-inch iron rod at 1484.87 feet, 0.98 feet left, a  
19 found 3/8-inch iron rod at 1608.04 feet, 1.32 feet left, a found  
20 3/8-inch iron rod at 1731.04 feet, 1.21 feet left, a found 3/8-inch  
21 iron rod at 1854.08 feet, 0.55 feet left, a found 5/8-inch square  
22 iron bar at 1977.47 feet, 0.11 feet right, a found 5/8-inch square  
23 iron bar at 2037.11 feet, 0.36 feet right, a found 3/8-inch iron rod  
24 at 2159.55 feet, 1.03 feet right, a found 1/2-inch iron rod (with  
25 cap stamped "C&C Surveying") at 2282.80 feet, 0.18 feet right, a  
26 found 1/2-inch iron rod (with cap stamped "C&C Surveying") at  
27 2405.70 feet, and a found 3/8-inch iron rod at 2897.75 feet, 0.13

1 feet right, continuing for a total distance of 3015.29 feet to a  
2 point;

3           5. North 47°22'30" West, along the northeast line of Hazy  
4 Hollow East Estates Section 11 (an unrecorded subdivision), passing  
5 a found 3/8-inch iron rod at 5.37 feet, 2.20 feet left, a found  
6 3/8-inch iron rod at 128.11 feet, 3.14 feet left, a found 3/8-inch  
7 iron rod at 251.00 feet, 3.59 feet left, a found 3/8-inch iron rod  
8 at 373.97 feet, 3.79 feet left, a found 3/8-inch iron rod at 496.74  
9 feet, 3.70 feet left, a found 3/8-inch iron rod at 619.44 feet, 3.76  
10 feet left, a found 3/8-inch iron rod at 743.26 feet, 1.81 feet  
11 left, and a found 3/8-inch iron rod at 988.51 feet, 0.13 feet left,  
12 continuing for a total distance of 1784.65 feet to a found 1/2-inch  
13 iron rod for the north corner of said Hazy Hollow East Estates  
14 Section 11 and the east corner of Greentree Forest Estates (an  
15 unrecorded subdivision);

16           6. North 47°01'59" West, along the northeast line of said  
17 Greentree Forest Estates, passing a found 1/2-inch iron rod at  
18 354.40 feet, passing a found 5/8-inch iron rod at 414.22 feet,  
19 continuing for a total distance of 498.04 feet to a found 3-1/2-inch  
20 iron pipe;

21           7. North 47°36'37" West, 270.64 feet (called 270.76 feet) to  
22 the POINT OF BEGINNING, CONTAINING 842.23 acres of land in  
23 Montgomery County, Texas, as shown on drawing number 9630-A.

24           SECTION 3. (a) The legal notice of the intention to  
25 introduce this Act, setting forth the general substance of this  
26 Act, has been published as provided by law, and the notice and a  
27 copy of this Act have been furnished to all persons, agencies,

1 officials, or entities to which they are required to be furnished  
2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3 Government Code.

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

7 (c) The Texas Commission on Environmental Quality has filed  
8 its recommendations relating to this Act with the governor,  
9 lieutenant governor, and speaker of the house of representatives  
10 within the required time.

11 (d) All requirements of the constitution and laws of this  
12 state and the rules and procedures of the legislature with respect  
13 to the notice, introduction, and passage of this Act have been  
14 fulfilled and accomplished.

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 23, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4657** by Bell, Cecil (Relating to the creation of the Montgomery County Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** WP, SD, AF, GP



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 15, 2019**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB4657** by Bell, Cecil (Relating to the creation of the Montgomery County Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** WP, AF, GP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 13, 2019**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4657** by Bell, Cecil (Relating to the creation of the Montgomery County Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** WP, AF, GP

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 8, 2019**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4657** by Bell, Cecil (Relating to the creation of the Montgomery County Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** WP, AF, GP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**WATER DEVELOPMENT POLICY IMPACT STATEMENT**

**86TH LEGISLATIVE REGULAR SESSION**

**April 8, 2019**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4657** by Bell, Cecil (Relating to the creation of the Montgomery County Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Montgomery County Management District No. 1 (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Montgomery County served by small water systems or private wells (County-Other) was 108,679. The Montgomery County-Other population projections adopted for the 2022 State Water Plan projects the population to grow to 182,763 in 2020 and 286,757 in 2030.

Location - The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Montgomery County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various subareas of the district, staff is only able to determine the general location of the proposed district.

The proposed district's area is approximately 1.76 square miles in southwest Montgomery County and appears to be located east of the City of Magnolia and north of Farm to Market Road 1774.

Comments on Powers/Duties Different from Similar Types of Districts:

A director is entitled to receive fees of office and reimbursement for actual expenses provided by Section 49.060, Water Code; Sections 375.069 and 375.070, Local Government Code, do not apply to the board; the bill requires the TCEQ to appoint the five initial temporary directors upon receipt of a petition from the owners of a majority of the assessed value of the real property in the District; the District may develop or finance recreational facilities; this bill grants the District authority for road projects; the board by resolution may authorize the creation of a nonprofit corporation with the powers created under Subchapter D, Chapter 431, Transportation Code; the District may contract for or employ peace officers under Section 49.216, Water Code; the District

may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a District purpose; the bill allows the District to create economic development programs and exercise economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code; the District may negotiate and enter into a written strategic partnership agreement under Local Government Code Section 43.0751, with a municipality in whose extraterritorial jurisdiction the District is located; the District may negotiate and enter into a written regional participation agreement under Local Government Code Section 43.0754, with a municipality in whose corporate boundaries or extraterritorial jurisdiction the District is located; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; the bill specifies that the District may add or exclude land as provided by Subchapter J, Chapter 49, Water Code; Section 375.044(b), Local Government Code, does not apply to the District; the District may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code; the District may not exercise the power of eminent domain; the board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board; the District may levy an operation and maintenance tax as provided for in Section 49.107 of the Water Code; Section 49.107(h), Water Code states that an operation and maintenance tax to be used for recreational facilities, as defined by Section 49.462, Water Code, levied by a district located in a county with a population of more than 3.3 million or in a county adjacent to that county may not exceed 10 cents per \$100 of assessed valuation of taxable property in the District, the bill specifies that this section does not apply to the District; Chapter 49.4645, Water Code, states that the District's outstanding principal debt for recreational facilities cannot exceed one percent of the District's current estimated taxable assessed valuation, the bill specifies that this section does not apply to the District; Section 375.243, Local Government Code, states that the board may not call a bond election unless a written petition has been filed with the board requesting an election, the bill specifies that this section does not apply to the District; the District may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code; the board may dissolve the District regardless of whether the District has debt. Section 375.264, Local Government Code, does not apply to the District; if the District has debt when it is dissolved, the District shall remain in existence solely for the purpose of discharging its debts, and the dissolution is effective when all debts have been discharged.

**Overlapping Services:** TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

**TCEQ's Supervision:** As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

**Water Use -** Within Montgomery County, 84% of the total water use was supplied by groundwater (Gulf Coast Aquifer), and 91% of the county total water use was for municipal use in 2016. The water source the proposed district might pursue is unknown.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** WP, SZ