## A BILL TO BE ENTITLED

## AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 203; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7917A to read as follows:

CHAPTER 7917A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT
NO. 203
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 7917A.0101. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "City" means the City of Oak Ridge North.
(3) "Commission" means the Texas Commission on

Environmental Quality.
(4) "Director" means a board member.
(5) "District" means the Montgomery County Municipal Utility District No. 203.

Sec. 7917A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7917A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to

```
confirm the creation of the district and to elect five permanent
directors as provided by Section 49.102, Water Code.
    Sec. 7917A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
temporary directors may not hold an election under Section
7917A.0103 until each municipality in whose corporate limits or
extraterritorial jurisdiction the district is located has
consented by ordinance or resolution to the creation of the
district and to the inclusion of land in the district.
    Sec. 7917A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
(a) The district is created to serve a public purpose and benefit.
    (b) The district is created to accomplish the purposes of:
        (1) a municipal utility district as provided by
```

general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that
relate to the construction, acquisition, improvement, operation,
or maintenance of macadamized, graveled, or paved roads, or
improvements, including storm drainage, in aid of those roads.
Sec. 7917A.0106. INITIAL DISTRICT TERRITORY. (a) The
district is initially composed of the territory described by
Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and

```
interest on a bond;
    (3) right to impose a tax; or
    (4) legality or operation.
        SUBCHAPTER B. BOARD OF DIRECTORS
    Sec. 7917A.0201. GOVERNING BODY; TERMS. (a) The district
is governed by a board of five elected directors.
    (b) Except as provided by Section 7917A.0202, directors
serve staggered four-year terms.
    Sec. 7917A.0202. TEMPORARY DIRECTORS. (a) On or after the
    effective date of the Act enacting this chapter, the owner or owners
    of a majority of the assessed value of the real property in the
    district may submit a petition to the commission requesting that
    the commission appoint as temporary directors the five persons
    named in the petition. The commission shall appoint as temporary
    directors the five persons named in the petition.
    (b) Temporary directors serve until the earlier of:
    (1) the date permanent directors are elected under
    Section 7917A.0103; or
    (2) the fourth anniversary of the effective date of
    the Act enacting this chapter.
    (c) If permanent directors have not been elected under
    Section 7917A.0103 and the terms of the temporary directors have
    expired, successor temporary directors shall be appointed or
    reappointed as provided by Subsection (d) to serve terms that
    expire on the earlier of:
    (1) the date permanent directors are elected under
    Section 7917A.0103; or
``` (2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES
Sec. 7917A. 0301 . GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7917A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7917A.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7917A. 0304 . ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards,
```

zoning and subdivision requirements, and regulations of each
municipality in whose corporate limits or extraterritorial
jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits
or extraterritorial jurisdiction of a municipality, the road
project must meet all applicable construction standards,
subdivision requirements, and regulations of each county in which
the road project is located.
(c) If the state will maintain and operate the road, the
Texas Transportation Commission must approve the plans and
specifications of the road project.
Sec. 7917A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
ORDINANCE OR RESOLUTION. The district shall comply with all
applicable requirements of any ordinance or resolution that is
adopted under Section 54.016 or 54.0165, Water Code, and that
consents to the creation of the district or to the inclusion of land
in the district.
Sec. 7917A.0306. EFFECT OF ANNEXATION. Notwithstanding any other law, if all or any part of the territory of the district is annexed by the city into the city's corporate limits, the district retains all of the district's outstanding debt and obligations and is not dissolved.
Sec. 7917A.0307. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the

```

\section*{division of the district, and a new district has all the powers and} duties of the district.
(c) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.
(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7917A. 0103 to confirm the district's creation.
(f) An order dividing the district shall:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between the new districts.
(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.
(h) A new district created by the division of the district shall hold a confirmation and directors' election as required by

Section 7917A.0103. If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to the original district.
(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.
(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.
(k) Municipal consent to the creation of the district and to the inclusion of land in the district granted under section 7917A. 0104 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 7917A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 7917A. 0403.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7917A.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7917A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 7917A.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
Sec. 7917A.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7917A.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7917A.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. The Montgomery County Municipal Utility District No. 203 initially includes all the territory contained in the following area:

Being 46.673 acres \((2,033,071\) square feet) of land situated in the Montgomery County School Land Survey, A-350, Montgomery County, Texas and being all of a called 29.201 acre tract conveyed to Bali Real Estate, LLC, by Warranty Deed recorded under Clerk's File No. 2019110268 of the Official Public Records of Montgomery County, Texas (O.P.R. M.C.T.), and all of the called 18.2958 acre tract conveyed to Bali Real Estate, LLC, by Warranty Deed recorded under Clerk's File No. 2019078899 O.P.R. M.C.T., said 46.673 acres being more particularly described by metes and bounds as follows:

BEGINNING at a \(1 / 2\) inch iron pipe found in the west line of Lot 14B, Block 2, of Chateau Woods, Section Six, according to the Plat of same, recorded in Volume 7, Page 275, of the Map Records of Montgomery County, Texas (M.R. M.C.T.), for the southeast corner of

Chateau Woods, according to the Plat of same, recorded in Cabinet Z, Sheet 536 M.R. M.C.T., and the northeast corner of said 18.2958 acre tract;

THENCE South 0424'53" East, with the west line of said Section Six, a distance of 329.67 feet to a 5/8 inch iron rod with cap marked "Landpoint 10194172" set for the southwest corner of Lot 15C, of said Section Six, and an interior corner of the herein described tract;

THENCE North \(85^{\circ} 44^{\prime} 01^{\prime \prime}\) East, with the south line of said Lot 15C, a distance of 155.60 feet to a \(5 / 8\) inch iron rod found in the west right of way (R.O.W.) line of Fairview Drive (60 foot wide R.O.W.) for the southeast corner of said Lot 15C, and an easterly northeast corner of the herein described tract;

THENCE South 03*49'04" East, with said west right of way line, a distance of 70.00 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the northeast corner of Lot 16B, of said Section Six and an easterly southeast corner of the herein described tract;

THENCE South \(85^{\circ} 44^{\prime \prime} 01\) West, with the north line of said Lot 16B, a distance of 154.87 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set in the east line of the called 1.902 acre tract conveyed to Dennis E. Roach and Yvonne Roach by Warranty Deed recorded under Clerk's File No. 936940 O.P.R. M.C.T., for an interior southwest corner of the herein described tract;

THENCE North 0424'49" West, with the east line of said 1.902 acre tract, a distance of 5.75 feet to a \(5 / 8\) inch iron rod found for the northeast corner of said 1.902 acre tract, and an interior corner of the herein described tract;

THENCE South 8435'28" West, with the easterly north line of said 1.902 acre tract, a distance of 167.56 feet to a \(5 / 8\) inch iron rod found for the northerly northwest corner of said 1.902 acre tract, and an interior corner of the herein described tract;

THENCE South \(00^{\circ} 23^{\prime} 18^{\prime \prime}\) East, with a northerly west line of said 1.902 acre tract a distance of 127.62 feet to a \(5 / 8\) inch iron rod found for an interior corner of said 1.902 acre tract;

THENCE South 8936'42" West, with the westerly north line of said 1.902 acre tract, a distance of 114.45 feet to a \(5 / 8\) inch iron rod found for the westerly northwest corner of said 1.902 acre tract and an interior corner of the herein described tract;

THENCE South 02́14'20" East, with the west line of said 1.902 acre tract, a distance of 122.73 feet to a \(1 / 2\) inch iron rod found for the southwest corner of said 1.902 acre tract;

THENCE North \(84^{\circ} 40^{\prime} 17{ }^{\prime \prime}\) East, with the south line of said 1.902 acre tract, a distance of 295.36 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set in the west line of Lot 17B, of said Section Six, for a northeast corner of the herein described tract;

THENCE South 0425'53" East, with the west line of said Section Six, a distance of 254.24 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the southwest corner of Lot 18B of said Section Six, and an interior corner of the herein described tract;

THENCE North \(85^{\circ} 44^{\prime} 23^{\prime \prime}\) East, with the south line of said Lot 18B, a distance of 149.71 feet to a \(5 / 8\) inch iron rod found in the west right of way line of said Fairview Drive for the southeast
corner of said Lot 18B, and a northeast corner of the herein described;

THENCE South 0349'03" East, with said west right of way line, a distance of 70.00 feet to a \(1 / 2\) iron rod found for the northeast corner of Lot 19A, of said Section Six, and an easterly southeast corner of the herein described tract;

THENCE South 8544'23" West, with the north line of said Lot 19A a distance of 148.96 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the northwest corner of said Lot 19A and an interior corner of the herein described tract;

THENCE South 0425'53" East, with the west line of said Section Six, a distance of 600.26 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the northeast corner of the called 0.2784 acre Tract 4 conveyed to William Dana Fulton, by Warranty Deed recorded under Clerk's File No. 2007-143377 O.P.R. M.C.T., for the southeast corner said 29.201 acre tract and the herein described tract, from which a found \(1 / 2\) inch iron rod bears North 8705'51" East, a distance of 1.60 feet;

THENCE South \(87^{\circ} 05^{\prime \prime} 51^{\prime \prime}\) West, with the south line of said 29.201 acre tract, a distance of 2110.00 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the northwest corner of the remainder of a called 19.6 acre tract conveyed to Juanita Ann Stedman Crisp by Warranty Deed recorded in Volume 994, Page 33 of the Deed Records of Montgomery County, Texas (D.R. M.C.T.), and an interior corner of the herein described tract, from which a found 2 inch iron rod bears North \(39^{\circ} 42^{\prime} 5^{\prime \prime}\) West, a distance of 0.89 feet;

THENCE North 0254'09" West, a distance of 34.49 feet to a

\section*{point for an interior corner of the herein described tract;}

THENCE South \(86^{\circ} 54^{\prime} 05^{\prime \prime}\) West, a distance of 15.07 feet to a \(1 / 2\) inch iron rod found for the southeast corner of said 3.00 acre tract and a southwest corner of the herein described tract;

THENCE North 0424'02" West, with the east line of said 3.00 acre tract, a distance of 105.68 feet to a \(5 / 8\) inch iron rod found for the southwest corner of the called 2.0 acre tract conveyed to Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under Clerk's File No. 2010102118 O.P.R. M.C.T. and the most westerly northwest corner of the herein describedl. 705 acre tract conveyed to tract;

THENCE North \(87^{\circ} 05^{\prime} 51^{\prime \prime}\) East, with the south line of said 2.0 acre tract, a distance of 152.29 feet to a \(5 / 8\) inch iron rod found for the southeast corner of said 2.0 acre tract and an interior corner of the herein described tract ;

THENCE North \(02^{\circ} 59^{\prime} 46^{\prime \prime}\) West, with the east line of said 2.0 acre tract, a distance of 286.50 feet to a \(5 / 8\) inch iron rod found for the southwest corner of the called 1.705 acre tract conveyed to Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under Clerk's File No. 2010102117 O.P.R .M.C.T., and a northwest corner of the herein described tract;

THENCE North \(87^{\circ} 05^{\prime} 51^{\prime \prime}\) East, with the south line of said 1.705 acre tract, a distance of 458.27 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the southeast corner of said 1.705 acre tract and an interior corner of the herein described tract;

THENCE North 0354'02" West, with the east line of said 1.705
acre tract, a distance of 165.76 feet to a \(5 / 8\) inch iron rod found for the northeast corner of same, and a northwest corner of the herein described tract;

THENCE North \(86^{\circ} 10^{\prime} 26^{\prime \prime}\) East, at 40.03 feet passing a \(5 / 8\) inch iron rod found for the southwest corner of a called 0.61 acre tract of land (Tract 10), recorded under Volume 814 , Page 553 of the O.P.R. M.C.T., and continuing for a total distance of 279.28 feet to a \(5 / 8\) inch iron rod found for the southeast corner of said 0.61 acre tract and an interior corner of the herein described tract;

THENCE North 0349'30" West, with the west lines of said 0.61 acre Tract 10 , the called 0.61 acre tract conveyed to Reina Fuentes by Warranty Deed recorded under Clerk's File No. 2009049510 O.P.R.M.C.T., and the called 0.61 acre tract conveyed to Jonathan R. Farkasofsky, by Warranty Deed recorded under Clerk's File No. 2009041278 O.P.R. M.C.T., a distance of 337.20 feet to a \(5 / 8\) inch iron rod found in the south right of way line of Springwood Drive (60 foot wide private R.O.W.), for a northwest corner of the herein described tract;

THENCE North \(86^{\circ} 10^{\prime} 3^{\prime \prime}\) East, with the south line of said Springwood Drive, a distance of 473.19 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for an interior corner of the herein described tract;

THENCE North 0349'30" West, with the east right of way line of said Springwood Drive, a distance of 59.97 feet to a \(5 / 8\) inch iron rod found in the south line of the called 0.6017 acre tract conveyed to Luis Martinez and Liana I. Martinez by Warranty Deed recorded under Clerk's File No. 2012038147 O.P.R. M.C.T., for \(a\)

\section*{northwest corner of the herein described tract;}

THENCE North \(8^{\circ} 09^{\prime} 3^{\prime \prime}\) East, with the south line of said 0.6017 acre tract, a distance of 25.90 feet to a 5/8 inch iron rod found for the southeast corner of said 0.6017 acre tract and an interior corner of the herein described tract;

THENCE North 0349'30" West, with the east line of said 0.6017 acre tract, a distance of 250.02 feet to a \(5 / 8\) inch iron rod with cap marked "Landpoint 10194172" set for the northeast corner of said 0.6017 acre tract and an interior corner of the herein described tract, from which a found \(5 / 8\) inch iron rod bears South \(80^{\circ} 23^{\prime \prime} 42^{\prime \prime}\) West, a distance of 1.39 feet;

THENCE South \(86^{\circ} 10^{\prime} 34 "\) West, with the north lines of said 0.6017 acre tract, the called 0.61 acre tract conveyed to Rigoberto Ruiz and Beatriz Ruiz, by Warranty Deed recorded under Clerk's File No. 2010015437 O.P.R. M.C.T., and the called 0.61 acre tract conveyed to Luis Martinez and Liana I. Martinez, by Warranty Deed recorded under Clerk's File No. 2012038147 O.P.R. M.C.T. a distance of 314.69 feet to a \(5 / 8\) inch iron rod found in the east line of the called 7.3167 acre tract conveyed to James \(H\). Giammatteo by Warranty Deed recorded under Clerk's File No. 2001008111 O.P.R. M.C.T., for the northwest corner of said 0.61 acre Martinez tract, and a southwest corner of the herein described tract;

THENCE North 0349'30" West, with the east line of said 7.3167 acre tract, a distance of 196.49 feet to a 1 inch iron pipe found in the south line of the called 1.580 acre tract conveyed to James \(H\). Giammatteo, Jr., by Warranty Deed recorded under Clerk's File No. 2008037058 O.P.R. M.C.T. for the northeast corner of said called 7.3167 acre tract and a northwest corner of the herein described tract;

THENCE North \(86^{\circ} 09^{\prime} 41^{\prime \prime}\) East, with the south line of said 1.580 acre tract, a distance of 30.70 feet to a \(5 / 8\) inch iron rod found for the southeast corner of said 1.580 acre tract and an interior corner of the herein described tract;

THENCE North 0349'30" West, with the east line of said 1.580 acre tract, a distance of 97.99 feet to a \(1 / 2\) inch iron pipe found in the south line of Block 1 of said Chateau Woods, for the northeast corner of said 1.580 acre tract and the most northerly northwest corner of said 18.2958 acre tract and the herein described tract;

THENCE North \(8^{\circ} 10^{\prime} 30^{\prime \prime}\) East, with the south line of said Chateau Woods, a distance of 1000.19 feet to the POINT OF BEGINNING, containing 46.673 acres (2,033,071 square feet) of land in Montgomery County, Texas.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.
(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.
(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the
lieutenant governor, and the speaker of the house of representatives within the required time.
(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7917A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7917 A. 0308 to read as follows:

Sec. 7917A.0308. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.
(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.```

