

SENATE AMENDMENTS

2nd Printing

By: Metcalf

H.B. No. 4611

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to impose a tax and issue bonds.

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 7928A to read as follows:

CHAPTER 7928A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT

NO. 206

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7928A.0101. DEFINITIONS. In this chapter:

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

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

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 206.

Sec. 7928A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7928A.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.

1 Sec. 7928A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section
3 7928A.0103 until each municipality in whose corporate limits or
4 extraterritorial jurisdiction the district is located has
5 consented by ordinance or resolution to the creation of the
6 district and to the inclusion of land in the district.

7 Sec. 7928A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
8 (a) The district is created to serve a public purpose and benefit.

9 (b) The district is created to accomplish the purposes of:
10 (1) a municipal utility district as provided by
11 general law and Section 59, Article XVI, Texas Constitution; and
12 (2) Section 52, Article III, Texas Constitution, that
13 relate to the construction, acquisition, improvement, operation,
14 or maintenance of macadamized, graveled, or paved roads, or
15 improvements, including storm drainage, in aid of those roads.

16 Sec. 7928A.0106. INITIAL DISTRICT TERRITORY. (a) The
17 district is initially composed of the territory described by
18 Section 2 of the Act enacting this chapter.

19 (b) The boundaries and field notes contained in Section 2 of
20 the Act enacting this chapter form a closure. A mistake made in the
21 field notes or in copying the field notes in the legislative process
22 does not affect the district's:

23 (1) organization, existence, or validity;
24 (2) right to issue any type of bond for the purposes
25 for which the district is created or to pay the principal of and
26 interest on a bond;
27 (3) right to impose a tax; or

1 (4) legality or operation.

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 7928A.0201. GOVERNING BODY; TERMS. (a) The district
4 is governed by a board of five elected directors.

5 (b) Except as provided by Section 7928A.0202, directors
6 serve staggered four-year terms.

7 Sec. 7928A.0202. TEMPORARY DIRECTORS. (a) On or after the
8 effective date of the Act enacting this chapter, the owner or owners
9 of a majority of the assessed value of the real property in the
10 district may submit a petition to the commission requesting that
11 the commission appoint as temporary directors the five persons
12 named in the petition. The commission shall appoint as temporary
13 directors the five persons named in the petition.

14 (b) Temporary directors serve until the earlier of:

15 (1) the date permanent directors are elected under
16 Section 7928A.0103; or

17 (2) the fourth anniversary of the effective date of
18 the Act enacting this chapter.

19 (c) If permanent directors have not been elected under
20 Section 7928A.0103 and the terms of the temporary directors have
21 expired, successor temporary directors shall be appointed or
22 reappointed as provided by Subsection (d) to serve terms that
23 expire on the earlier of:

24 (1) the date permanent directors are elected under
25 Section 7928A.0103; or

26 (2) the fourth anniversary of the date of the
27 appointment or reappointment.

1 (d) If Subsection (c) applies, the owner or owners of a
2 majority of the assessed value of the real property in the district
3 may submit a petition to the commission requesting that the
4 commission appoint as successor temporary directors the five
5 persons named in the petition. The commission shall appoint as
6 successor temporary directors the five persons named in the
7 petition.

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 7928A.0301. GENERAL POWERS AND DUTIES. The district
10 has the powers and duties necessary to accomplish the purposes for
11 which the district is created.

12 Sec. 7928A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
13 DUTIES. The district has the powers and duties provided by the
14 general law of this state, including Chapters 49 and 54, Water Code,
15 applicable to municipal utility districts created under Section 59,
16 Article XVI, Texas Constitution.

17 Sec. 7928A.0303. AUTHORITY FOR ROAD PROJECTS. Under
18 Section 52, Article III, Texas Constitution, the district may
19 design, acquire, construct, finance, issue bonds for, improve,
20 operate, maintain, and convey to this state, a county, or a
21 municipality for operation and maintenance macadamized, graveled,
22 or paved roads, or improvements, including storm drainage, in aid
23 of those roads.

24 Sec. 7928A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
25 road project must meet all applicable construction standards,
26 zoning and subdivision requirements, and regulations of each
27 municipality in whose corporate limits or extraterritorial

1 jurisdiction the road project is located.

2 (b) If a road project is not located in the corporate limits
3 or extraterritorial jurisdiction of a municipality, the road
4 project must meet all applicable construction standards,
5 subdivision requirements, and regulations of each county in which
6 the road project is located.

7 (c) If the state will maintain and operate the road, the
8 Texas Transportation Commission must approve the plans and
9 specifications of the road project.

10 Sec. 7928A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
11 ORDINANCE OR RESOLUTION. (a) The district shall comply with all
12 applicable requirements of any ordinance or resolution that is
13 adopted under Section 54.016 or 54.0165, Water Code, and that
14 consents to the creation of the district or to the inclusion of land
15 in the district.

16 (b) In addition to all the rights and remedies provided by
17 other law, if the district violates the terms of an ordinance or
18 resolution described by Subsection (a), the municipality is
19 entitled to injunctive relief or a writ of mandamus issued by a
20 court requiring the district and the district's officials to
21 observe and comply with the terms of the ordinance or resolution.

22 Sec. 7928A.0306. EFFECT OF ANNEXATION BY CITY OF CONROE.
23 Notwithstanding Section 54.016(f)(2), Water Code, an allocation
24 agreement between the City of Conroe and the district that provides
25 for the allocation of the taxes or revenues of the district and the
26 city following the date of inclusion of all the district's
27 territory in the corporate limits of the city may provide that the

1 total annual ad valorem taxes collected by the city and the district
2 from taxable property in the district may exceed the city's ad
3 valorem tax on that property.

4 Sec. 7928A.0307. LIMITATION ON USE OF EMINENT DOMAIN. The
5 district may not exercise the power of eminent domain outside the
6 district without the written consent of the City of Conroe.

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 7928A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
9 The district may issue, without an election, bonds and other
10 obligations secured by:

11 (1) revenue other than ad valorem taxes; or

12 (2) contract payments described by Section
13 7928A.0403.

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

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

22 Sec. 7928A.0402. OPERATION AND MAINTENANCE TAX. (a) If
23 authorized at an election held under Section 7928A.0401, the
24 district may impose an operation and maintenance tax on taxable
25 property in the district in accordance with Section 49.107, Water
26 Code.

27 (b) The board shall determine the tax rate. The rate may not

1 exceed the rate approved at the election.

2 Sec. 7928A.0403. CONTRACT TAXES. (a) In accordance with
3 Section 49.108, Water Code, the district may impose a tax other than
4 an operation and maintenance tax and use the revenue derived from
5 the tax to make payments under a contract after the provisions of
6 the contract have been approved by a majority of the district voters
7 voting at an election held for that purpose.

8 (b) A contract approved by the district voters may contain a
9 provision stating that the contract may be modified or amended by
10 the board without further voter approval.

11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

12 Sec. 7928A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
13 OBLIGATIONS. The district may issue bonds or other obligations
14 payable wholly or partly from ad valorem taxes, impact fees,
15 revenue, contract payments, tax increment payments, grants, or
16 other district money, or any combination of those sources, to pay
17 for any authorized district purpose.

18 Sec. 7928A.0502. TAXES FOR BONDS. At the time the district
19 issues bonds payable wholly or partly from ad valorem taxes, the
20 board shall provide for the annual imposition of a continuing
21 direct ad valorem tax, without limit as to rate or amount, while all
22 or part of the bonds are outstanding as required and in the manner
23 provided by Sections 54.601 and 54.602, Water Code.

24 Sec. 7928A.0503. BONDS FOR ROAD PROJECTS. At the time of
25 issuance, the total principal amount of bonds or other obligations
26 issued or incurred to finance road projects and payable from ad
27 valorem taxes may not exceed one-fourth of the assessed value of the

1 real property in the district.

2 SECTION 2. The Montgomery County Municipal Utility District
3 No. 206 initially includes all the territory contained in the
4 following area:

5 Being 92.833 acres of land located in the John Toops Survey,
6 Abstract Number 563, Montgomery County, Texas, being all of that
7 certain called 92.8344 acre tract described in the deed to
8 Cliffstone Hills, LTD., by an instrument of record in Document
9 Number 2020146551 of the Official Public Records of Montgomery
10 County, Texas (M.C.O.P.R.), said 92.833 acre tract being more
11 particularly described by metes and bounds as follows (all bearings
12 referenced to the Texas Coordinate System, Central Zone, NAD83;

13 BEGINNING at a 1-inch pinched top iron pipe found marking the
14 north corner of said 92.8344 acre tract, same being the east corner
15 of that certain called 1.694 acre tract described in the deed to
16 Break-Thru Performance Engineering, Inc., by an instrument of
17 record under Document Number 2013102060, M.C.O.P.R., said point
18 lying on the southwesterly right-of-way line of Loop 336 (width
19 varies - as monumented);

20 Thence, along the northeast line of said 92.8344 acre tract
21 and the southwesterly right- of-way line of said Loop 336 the
22 following 8 (eight) courses and distances:

23 1. South 64° 54' 08" East, 438.00 feet to a 4" x 4" concrete
24 TXDOT monument found for corner;

25 2. South 67° 53' 50" East, 100.00 feet to a to a 4" x 4"
26 concrete TXDOT monument found for corner;

27 3. South 64° 56' 38" East, 999.89 feet to a 5/8-inch iron rod

1 found for corner;

2 4. South 62° 10' 50" East, 200.00 feet to a bent 1/2-inch
3 iron rod found for corner;

4 5. South 64° 40' 50" East, 197.70 feet to a point for corner,
5 from which a bent 1/2-inch iron rod bears South 26° 02' 39" West,
6 0.74 feet;

7 6. South 67° 49' 50" East, 100.26 feet to a point for corner,
8 from which a found broken 4" x 4" concrete TXDOT monument bears
9 South 29° 29' 52" West, 0.59 feet;

10 7. South 65° 04' 49" East, 299.59 feet to a 4" x 4" concrete
11 TXDOT monument found for corner;

12 8. South 67° 43' 26" East, 45.51 feet to a 5/8-inch iron rod
13 with cap stamped "COTTON SURVEYING" found marking the east corner
14 of said 92.8344 acre tract, same being the northwest corner of that
15 certain called 186.0 acre tract described in the deed to Conroe ISD,
16 by an instrument of record under File Number 2008034031, of the
17 Official Public Records of Real Property of Montgomery County,
18 Texas (M.C.O.P.R.R.P.);

19 Thence, South 25° 27' 45" West, along the southeast line of
20 said 92.8344 acre tract and the northwesterly line of said 186.0
21 acre tract, 357.62 feet to a 5/8-inch iron rod with cap stamped
22 "COTTON SURVEYING" found for corner;

23 Thence, South 56° 37' 50" West, continuing along said common
24 line, 2,407.87 feet to a 5/8-inch iron rod with cap stamped "COTTON
25 SURVEYING" found marking the south corner of said 92.8344 acre
26 tract and the west corner of said 186.0 acre tract, said point lying
27 on the northeast right-of-way line of F.M. 3083 (called 120' wide)

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as described in Volume 283, Page 451 of the Montgomery County Deed Records (M.C.D.R.), and File Number 9045106, M.C.O.P.R.R.P.;

Thence, North 33° 15' 24" West, 1,220.07 feet to a point for corner, from which a brass disk in concrete stamped "TXDOT" bears North 09° 24' 11" West, 1.26 feet, the beginning of a non-tangent curve;

Thence, 215.57 feet continuing along said common line and the arc of a non-tangent curve to the right, having a radius of 3,010.63 feet, a central angle of 04° 06' 09", and a chord which bears North 31° 12' 54" West, 215.52 feet to the west corner of said 92.8344 acre tract, from which a 1/2-inch iron rod bears North 11° 00' 12" East, 1.03 feet, said point lying on the southeasterly line of that certain called 9.66 acre tract described in the deed to Louisiana Electrical Wholesalers, Inc. by an instrument of record under File Number 9826542, M.C.O.P.R.R.P.;

Thence, North 58° 28' 08" East, along a westerly line of said 92.8344 acre tract and a south line of said 9.66 acre tract, 817.51 feet to 1/2-inch iron rod found marking the east corner of said 9.66 acre tract and an interior westerly corner of said 92.8344 acre tract;

Thence, North 31° 23' 20" West, along a westerly line of said 92.8344 acre tract and the easterly lines of said 9.66 acre tract and that certain called 3.956 acre tract described in the deed to Conroe Reload Center by an instrument of record under File Number 9658151, M.C.O.P.R.R.P. 804.67 feet to the northwest corner of said 92.8344 acre tract, from which a 5/8-inch iron rod bears South 15° 41' 14" East, 0.85 feet, said point lying on the south line of that

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1 certain called 1.0 acre tract described in the deed to Agustin
2 Ventura Gonzales by an instrument of record under Document Number
3 2011076381, M.C.O.P.R.R.P.;

4 Thence, North 56° 46' 10" East, along the north line of said
5 92.8344 acre tract and the south lines of said 1.0 acre tract, that
6 certain called 5.650 acre tract described in the deed to Texas
7 Outdoor Power Sales, Inc. by an instrument of record under Document
8 Number 2019075494, M.C.O.P.R., and the aforementioned 1.694 acre
9 tract, 610.16 feet to the POINT OF BEGINNING and containing 92.833
10 acres of land.

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

18 (b) The governor, one of the required recipients, has
19 submitted the notice and Act to the Texas Commission on
20 Environmental Quality.

21 (c) The Texas Commission on Environmental Quality has filed
22 its recommendations relating to this Act with the governor, the
23 lieutenant governor, and the speaker of the house of
24 representatives within the required time.

25 (d) All requirements of the constitution and laws of this
26 state and the rules and procedures of the legislature with respect
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2 SECTION 4. (a) Section 7928A.0307, Special District Local
3 Laws Code, as added by Section 1 of this Act, takes effect only if
4 this Act receives a two-thirds vote of all the members elected to
5 each house.

6 (b) If this Act does not receive a two-thirds vote of all the
7 members elected to each house, Subchapter C, Chapter 7928A, Special
8 District Local Laws Code, as added by Section 1 of this Act, is
9 amended by adding Section 7928A.0307 to read as follows:

10 Sec. 7928A.0307. NO EMINENT DOMAIN POWER. The district may
11 not exercise the power of eminent domain.

12 (c) This section is not intended to be an expression of a
13 legislative interpretation of the requirements of Section 17(c),
14 Article I, Texas Constitution.

15 SECTION 5. 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, 2021.

ADOPTED
MAY 27 2021
By: Burton Ceythor
Substitute the following for H.B. No. 4611:
By: April S. Law Secretary of the Senate
H.B. No. 4611
C.S. H.B. No. 4611

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NO. 206

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7928A.0101. DEFINITIONS. In this chapter:

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

(3) "Director" means a board member.

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6 district and to the inclusion of land in the district.

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13 relate to the construction, acquisition, improvement, operation,
14 or maintenance of macadamized, graveled, or paved roads, or
15 improvements, including storm drainage, in aid of those roads.

16 Sec. 7928A.0106. INITIAL DISTRICT TERRITORY. (a) The
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18 Section 2 of the Act enacting this chapter.

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20 the Act enacting this chapter form a closure. A mistake made in the
21 field notes or in copying the field notes in the legislative process
22 does not affect the district's:

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26 interest on a bond;

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10 district may submit a petition to the commission requesting that
11 the commission appoint as temporary directors the five persons
12 named in the petition. The commission shall appoint as temporary
13 directors the five persons named in the petition.

14 (b) Temporary directors serve until the earlier of:

15 (1) the date permanent directors are elected under
16 Section 7928A.0103; or

17 (2) the fourth anniversary of the effective date of
18 the Act enacting this chapter.

19 (c) If permanent directors have not been elected under
20 Section 7928A.0103 and the terms of the temporary directors have
21 expired, successor temporary directors shall be appointed or
22 reappointed as provided by Subsection (d) to serve terms that
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16 found for corner;

17 4. South 62° 10' 50" East, 200.00 feet to a bent 1/2-inch
18 iron rod found for corner;

19 5. South 64° 40' 50" East, 197.70 feet to a point for corner,
20 from which a bent 1/2-inch iron rod bears South 26° 02' 39" West,
21 0.74 feet;

22 6. South 67° 49' 50" East, 100.26 feet to a point for corner,
23 from which a found broken 4" x 4" concrete TXDOT monument bears
24 South 29° 29' 52" West, 0.59 feet;

25 7. South 65° 04' 49" East, 299.59 feet to a 4" x 4" concrete
26 TXDOT monument found for corner;

27 8. South 67° 43' 26" East, 45.51 feet to a 5/8-inch iron rod

1 with cap stamped "COTTON SURVEYING" found marking the east corner
2 of said 92.8344 acre tract, same being the northwest corner of that
3 certain called 186.0 acre tract described in the deed to Conroe ISD,
4 by an instrument of record under File Number 2008034031, of the
5 Official Public Records of Real Property of Montgomery County,
6 Texas (M.C.O.P.R.R.P.);

7 Thence, South 25° 27' 45" West, along the southeast line of
8 said 92.8344 acre tract and the northwesterly line of said 186.0
9 acre tract, 357.62 feet to a 5/8-inch iron rod with cap stamped
10 "COTTON SURVEYING" found for corner;

11 Thence, South 56° 37' 50" West, continuing along said common
12 line, 2,407.87 feet to a 5/8-inch iron rod with cap stamped "COTTON
13 SURVEYING" found marking the south corner of said 92.8344 acre
14 tract and the west corner of said 186.0 acre tract, said point lying
15 on the northeast right-of-way line of F.M. 3083 (called 120' wide)
16 as described in Volume 283, Page 451 of the Montgomery County Deed
17 Records (M.C.D.R.), and File Number 9045106, M.C.O.P.R.R.P.;

18 Thence, North 33° 15' 24" West, 1,220.07 feet to a point for
19 corner, from which a brass disk in concrete stamped "TXDOT" bears
20 North 09° 24' 11" West, 1.26 feet, the beginning of a non-tangent
21 curve;

22 Thence, 215.57 feet continuing along said common line and the
23 arc of a non-tangent curve to the right, having a radius of 3,010.63
24 feet, a central angle of 04° 06' 09", and a chord which bears North
25 31° 12' 54" West, 215.52 feet to the west corner of said 92.8344 acre
26 tract, from which a 1/2-inch iron rod bears North 11° 00' 12" East,
27 1.03 feet, said point lying on the southeasterly line of that

1 certain called 9.66 acre tract described in the deed to Louisiana
2 Electrical Wholesalers, Inc. by an instrument of record under File
3 Number 9826542, M.C.O.P.R.R.P.;

4 Thence, North 58° 28' 08" East, along a westerly line of said
5 92.8344 acre tract and a south line of said 9.66 acre tract, 817.51
6 feet to 1/2-inch iron rod found marking the east corner of said 9.66
7 acre tract and an interior westerly corner of said 92.8344 acre
8 tract;

9 Thence, North 31° 23' 20" West, along a westerly line of said
10 92.8344 acre tract and the easterly lines of said 9.66 acre tract
11 and that certain called 3.956 acre tract described in the deed to
12 Conroe Reload Center by an instrument of record under File Number
13 9658151, M.C.O.P.R.R.P. 804.67 feet to the northwest corner of said
14 92.8344 acre tract, from which a 5/8-inch iron rod bears South 15°
15 41' 14" East, 0.85 feet, said point lying on the south line of that
16 certain called 1.0 acre tract described in the deed to Agustin
17 Ventura Gonzales by an instrument of record under Document Number
18 2011076381, M.C.O.P.R.R.P.;

19 Thence, North 56° 46' 10" East, along the north line of said
20 92.8344 acre tract and the south lines of said 1.0 acre tract, that
21 certain called 5.650 acre tract described in the deed to Texas
22 Outdoor Power Sales, Inc. by an instrument of record under Document
23 Number 2019075494, M.C.O.P.R., and the aforementioned 1.694 acre
24 tract, 610.16 feet to the POINT OF BEGINNING and containing 92.833
25 acres of land.

26 SECTION 3. (a) The legal notice of the intention to
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a
2 copy of this Act have been furnished to all persons, agencies,
3 officials, or entities to which they are required to be furnished
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5 Government Code.

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

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

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

17 SECTION 4. (a) If this Act does not receive a two-thirds
18 vote of all the members elected to each house, Subchapter C, Chapter
19 7928A, Special District Local Laws Code, as added by Section 1 of
20 this Act, is amended by adding Section 7928A.0306 to read as
21 follows:

22 Sec. 7928A.0306. NO EMINENT DOMAIN POWER. The district may
23 not exercise the power of eminent domain.

24 (b) This section is not intended to be an expression of a
25 legislative interpretation of the requirements of Section 17(c),
26 Article I, Texas Constitution.

27 SECTION 5. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2021.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 27, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to issue bonds.), **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 a certain municipal utility district and establish its powers and duties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, SD, AF, CMA, DPE, AJL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to issue bonds.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, AF, CMA, DPE, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 22, 2021

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to impose a tax and issue bonds.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, AF, DPE, AJL, CMA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to impose a tax and issue bonds.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, AJL, CMA, DPE

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, AJL, CMA, DPE

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; granting a limited power of eminent domain; providing authority to impose a tax and issue bonds.), **Committee Report 1st House, Substituted**

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 Municipal Utility District No. 206 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

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 286,757 in 2030 and 425,330 in 2040.

Location: The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Official Public Records of Montgomery County Texas, Official Public Records of Real Property of Montgomery County Texas, 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 0.15 square miles in northeastern Montgomery County. The proposed district appears to lie within the boundaries of the northeastern portion of the City of Conroe, southwest of East Loop 336, and near the intersection of Excellence Avenue and East Loop 336. The proposed district's territory appears to overlap the City of Conroe's public water utility boundary.

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

House Committee Substitute (HCS):

The HCS codifies the creation of the District under Chapter 7928A, Special District Local Laws Code. 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.

Introduced:

The District must receive consent to the creation of the District from each municipality in whose corporate limits or extraterritorial jurisdiction the District is located prior to holding a confirmation election. The bill grants the District authority for road projects. The bill specifies that 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 real property in the District. The District may not exercise the power of eminent domain outside the District without the written consent of the City of Conroe; however, if the bill does not receive a two-thirds vote of all members elected to each house, the District may

not exercise the power of eminent domain.

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, 88% of the total water use was supplied by groundwater (Gulf Coast Aquifer), and municipal was the largest volume water use category comprising 90% of the county total water use in 2018. The water source the proposed district might pursue is unknown.

Source 580 Water Development Board, 582 Commission on Environmental Quality
Agencies:
LBB Staff: JMc, AJL

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4611 by Metcalf (Relating to the creation of the Montgomery County Municipal Utility District No. 206; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.), **As Introduced**

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LBB Staff: JMc, AJL