

SENATE AMENDMENTS

2nd Printing

By: Toth

H.B. No. 4651

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

1 confirm the creation of the district and to elect five permanent
2 directors as provided by Section 49.102, Water Code.

3 Sec. 7917A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
4 temporary directors may not hold an election under Section
5 7917A.0103 until each municipality in whose corporate limits or
6 extraterritorial jurisdiction the district is located has
7 consented by ordinance or resolution to the creation of the
8 district and to the inclusion of land in the district.

9 Sec. 7917A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

10 (a) The district is created to serve a public purpose and benefit.

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

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

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

18 Sec. 7917A.0106. INITIAL DISTRICT TERRITORY. (a) The
19 district is initially composed of the territory described by
20 Section 2 of the Act enacting this chapter.

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

25 (1) organization, existence, or validity;

26 (2) right to issue any type of bond for the purposes
27 for which the district is created or to pay the principal of and

1 interest on a bond;

2 (3) right to impose a tax; or

3 (4) legality or operation.

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 7917A.0201. GOVERNING BODY; TERMS. (a) The district
6 is governed by a board of five elected directors.

7 (b) Except as provided by Section 7917A.0202, directors
8 serve staggered four-year terms.

9 Sec. 7917A.0202. TEMPORARY DIRECTORS. (a) On or after the
10 effective date of the Act enacting this chapter, the owner or owners
11 of a majority of the assessed value of the real property in the
12 district may submit a petition to the commission requesting that
13 the commission appoint as temporary directors the five persons
14 named in the petition. The commission shall appoint as temporary
15 directors the five persons named in the petition.

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

17 (1) the date permanent directors are elected under
18 Section 7917A.0103; or

19 (2) the fourth anniversary of the effective date of
20 the Act enacting this chapter.

21 (c) If permanent directors have not been elected under
22 Section 7917A.0103 and the terms of the temporary directors have
23 expired, successor temporary directors shall be appointed or
24 reappointed as provided by Subsection (d) to serve terms that
25 expire on the earlier of:

26 (1) the date permanent directors are elected under
27 Section 7917A.0103; or

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

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

10 SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

1 zoning and subdivision requirements, and regulations of each
2 municipality in whose corporate limits or extraterritorial
3 jurisdiction the road project is located.

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

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

12 Sec. 7917A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
13 ORDINANCE OR RESOLUTION. The district shall comply with all
14 applicable requirements of any ordinance or resolution that is
15 adopted under Section 54.016 or 54.0165, Water Code, and that
16 consents to the creation of the district or to the inclusion of land
17 in the district.

18 Sec. 7917A.0306. EFFECT OF ANNEXATION. Notwithstanding any
19 other law, if all or any part of the territory of the district is
20 annexed by the city into the city's corporate limits, the district
21 retains all of the district's outstanding debt and obligations and
22 is not dissolved.

23 Sec. 7917A.0307. DIVISION OF DISTRICT. (a) The district
24 may be divided into two or more new districts only if the district:

25 (1) has no outstanding bonded debt; and

26 (2) is not imposing ad valorem taxes.

27 (b) This chapter applies to any new district created by the

1 division of the district, and a new district has all the powers and
2 duties of the district.

3 (c) A new district created by the division of the district
4 may not, at the time the new district is created, contain any land
5 outside the area described by Section 2 of the Act enacting this
6 chapter.

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

11 (e) The board may adopt an order dividing the district
12 before or after the date the board holds an election under Section
13 7917A.0103 to confirm the district's creation.

14 (f) An order dividing the district shall:

15 (1) name each new district;

16 (2) include the metes and bounds description of the
17 territory of each new district;

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

19 and

20 (4) provide for the division of assets and liabilities
21 between the new districts.

22 (g) On or before the 30th day after the date of adoption of
23 an order dividing the district, the district shall file the order
24 with the commission and record the order in the real property
25 records of each county in which the district is located.

26 (h) A new district created by the division of the district
27 shall hold a confirmation and directors' election as required by

1 Section 7917A.0103. If the voters of a new district do not confirm
2 the creation of the new district, the assets, obligations,
3 territory, and governance of the new district revert to the
4 original district.

5 (i) If the creation of the new district is confirmed, the
6 new district shall provide the election date and results to the
7 commission.

8 (j) Any new district created by the division of the district
9 must hold an election as required by this chapter to obtain voter
10 approval before the district may impose a maintenance tax or issue
11 bonds payable wholly or partly from ad valorem taxes.

12 (k) Municipal consent to the creation of the district and to
13 the inclusion of land in the district granted under Section
14 7917A.0104 acts as municipal consent to the creation of any new
15 district created by the division of the district and to the
16 inclusion of land in the new district.

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 7917A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
19 The district may issue, without an election, bonds and other
20 obligations secured by:

21 (1) revenue other than ad valorem taxes; or
22 (2) contract payments described by Section
23 7917A.0403.

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

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

5 Sec. 7917A.0402. OPERATION AND MAINTENANCE TAX. (a) If
6 authorized at an election held under Section 7917A.0401, the
7 district may impose an operation and maintenance tax on taxable
8 property in the district in accordance with Section 49.107, Water
9 Code.

10 (b) The board shall determine the tax rate. The rate may not
11 exceed the rate approved at the election.

12 Sec. 7917A.0403. CONTRACT TAXES. (a) In accordance with
13 Section 49.108, Water Code, the district may impose a tax other than
14 an operation and maintenance tax and use the revenue derived from
15 the tax to make payments under a contract after the provisions of
16 the contract have been approved by a majority of the district voters
17 voting at an election held for that purpose.

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

21 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

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

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

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

H.B. No. 4651

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

4 THENCE South 04°24'53" East, with the west line of said
5 Section Six, a distance of 329.67 feet to a 5/8 inch iron rod with
6 cap marked "Landpoint 10194172" set for the southwest corner of Lot
7 15C, of said Section Six, and an interior corner of the herein
8 described tract;

9 THENCE North 85°44'01" East, with the south line of said Lot
10 15C, a distance of 155.60 feet to a 5/8 inch iron rod found in the
11 west right of way (R.O.W.) line of Fairview Drive (60 foot wide
12 R.O.W.) for the southeast corner of said Lot 15C, and an easterly
13 northeast corner of the herein described tract;

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

19 THENCE South 85°44'01" West, with the north line of said Lot
20 16B, a distance of 154.87 feet to a 5/8 inch iron rod with cap marked
21 "Landpoint 10194172" set in the east line of the called 1.902 acre
22 tract conveyed to Dennis E. Roach and Yvonne Roach by Warranty Deed
23 recorded under Clerk's File No. 936940 O.P.R. M.C.T., for an
24 interior southwest corner of the herein described tract;

25 THENCE North 04°24'49" West, with the east line of said 1.902
26 acre tract, a distance of 5.75 feet to a 5/8 inch iron rod found for
27 the northeast corner of said 1.902 acre tract, and an interior

1 corner of the herein described tract;

2 THENCE South 84°35'28" West, with the easterly north line of
3 said 1.902 acre tract, a distance of 167.56 feet to a 5/8 inch iron
4 rod found for the northerly northwest corner of said 1.902 acre
5 tract, and an interior corner of the herein described tract;

6 THENCE South 00°23'18" East, with a northerly west line of
7 said 1.902 acre tract a distance of 127.62 feet to a 5/8 inch iron
8 rod found for an interior corner of said 1.902 acre tract;

9 THENCE South 89°36'42" West, with the westerly north line of
10 said 1.902 acre tract, a distance of 114.45 feet to a 5/8 inch iron
11 rod found for the westerly northwest corner of said 1.902 acre tract
12 and an interior corner of the herein described tract;

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

16 THENCE North 84°40'17" East, with the south line of said 1.902
17 acre tract, a distance of 295.36 feet to a 5/8 inch iron rod with cap
18 marked "Landpoint 10194172" set in the west line of Lot 17B, of said
19 Section Six, for a northeast corner of the herein described tract;

20 THENCE South 04°25'53" East, with the west line of said
21 Section Six, a distance of 254.24 feet to a 5/8 inch iron rod with
22 cap marked "Landpoint 10194172" set for the southwest corner of Lot
23 18B of said Section Six, and an interior corner of the herein
24 described tract;

25 THENCE North 85°44'23" East, with the south line of said Lot
26 18B, a distance of 149.71 feet to a 5/8 inch iron rod found in the
27 west right of way line of said Fairview Drive for the southeast

1 corner of said Lot 18B, and a northeast corner of the herein
2 described;

3 THENCE South 03°49'03" East, with said west right of way line,
4 a distance of 70.00 feet to a 1/2 iron rod found for the northeast
5 corner of Lot 19A, of said Section Six, and an easterly southeast
6 corner of the herein described tract;

7 THENCE South 85°44'23" West, with the north line of said Lot
8 19A a distance of 148.96 feet to a 5/8 inch iron rod with cap marked
9 "Landpoint 10194172" set for the northwest corner of said Lot 19A
10 and an interior corner of the herein described tract;

11 THENCE South 04°25'53" East, with the west line of said
12 Section Six, a distance of 600.26 feet to a 5/8 inch iron rod with
13 cap marked "Landpoint 10194172" set for the northeast corner of the
14 called 0.2784 acre Tract 4 conveyed to William Dana Fulton, by
15 Warranty Deed recorded under Clerk's File No. 2007-143377 O.P.R.
16 M.C.T., for the southeast corner said 29.201 acre tract and the
17 herein described tract, from which a found 1/2 inch iron rod bears
18 North 87°05'51" East, a distance of 1.60 feet;

19 THENCE South 87°05'51" West, with the south line of said
20 29.201 acre tract, a distance of 2110.00 feet to a 5/8 inch iron rod
21 with cap marked "Landpoint 10194172" set for the northwest corner
22 of the remainder of a called 19.6 acre tract conveyed to Juanita Ann
23 Stedman Crisp by Warranty Deed recorded in Volume 994, Page 33 of
24 the Deed Records of Montgomery County, Texas (D.R. M.C.T.), and an
25 interior corner of the herein described tract, from which a found 2
26 inch iron rod bears North 39°42'57" West, a distance of 0.89 feet;

27 THENCE North 02°54'09" West, a distance of 34.49 feet to a

1 point for an interior corner of the herein described tract;

2 THENCE South 86°54'05" West, a distance of 15.07 feet to a 1/2
3 inch iron rod found for the southeast corner of said 3.00 acre tract
4 and a southwest corner of the herein described tract;

5 THENCE North 04°24'02" West, with the east line of said 3.00
6 acre tract, a distance of 105.68 feet to a 5/8 inch iron rod found
7 for the southwest corner of the called 2.0 acre tract conveyed to
8 Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under
9 Clerk's File No. 2010102118 O.P.R. M.C.T. and the most westerly
10 northwest corner of the herein described 1.705 acre tract conveyed
11 to tract;

12 THENCE North 87°05'51" East, with the south line of said 2.0
13 acre tract, a distance of 152.29 feet to a 5/8 inch iron rod found
14 for the southeast corner of said 2.0 acre tract and an interior
15 corner of the herein described tract ;

16 THENCE North 02°59'46" West, with the east line of said 2.0
17 acre tract, a distance of 286.50 feet to a 5/8 inch iron rod found
18 for the southwest corner of the called 1.705 acre tract conveyed to
19 Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under
20 Clerk's File No. 2010102117 O.P.R. .M.C.T., and a northwest corner
21 of the herein described tract;

22 THENCE North 87°05'51" East, with the south line of said 1.705
23 acre tract, a distance of 458.27 feet to a 5/8 inch iron rod with cap
24 marked "Landpoint 10194172" set for the southeast corner of said
25 1.705 acre tract and an interior corner of the herein described
26 tract;

27 THENCE North 03°54'02" West, with the east line of said 1.705

H.B. No. 4651

1 acre tract, a distance of 165.76 feet to a 5/8 inch iron rod found
2 for the northeast corner of same, and a northwest corner of the
3 herein described tract;

4 THENCE North 86°10'26" East, at 40.03 feet passing a 5/8 inch
5 iron rod found for the southwest corner of a called 0.61 acre tract
6 of land (Tract 10), recorded under Volume 814, Page 553 of the
7 O.P.R. M.C.T., and continuing for a total distance of 279.28 feet to
8 a 5/8 inch iron rod found for the southeast corner of said 0.61 acre
9 tract and an interior corner of the herein described tract;

10 THENCE North 03°49'30" West, with the west lines of said 0.61
11 acre Tract 10, the called 0.61 acre tract conveyed to Reina Fuentes
12 by Warranty Deed recorded under Clerk's File No. 2009049510
13 O.P.R.M.C.T., and the called 0.61 acre tract conveyed to Jonathan
14 R. Farkasofsky, by Warranty Deed recorded under Clerk's File
15 No. 2009041278 O.P.R. M.C.T., a distance of 337.20 feet to a 5/8
16 inch iron rod found in the south right of way line of Springwood
17 Drive (60 foot wide private R.O.W.), for a northwest corner of the
18 herein described tract;

19 THENCE North 86°10'33" East, with the south line of said
20 Springwood Drive, a distance of 473.19 feet to a 5/8 inch iron rod
21 with cap marked "Landpoint 10194172" set for an interior corner of
22 the herein described tract;

23 THENCE North 03°49'30" West, with the east right of way line
24 of said Springwood Drive, a distance of 59.97 feet to a 5/8 inch
25 iron rod found in the south line of the called 0.6017 acre tract
26 conveyed to Luis Martinez and Liana I. Martinez by Warranty Deed
27 recorded under Clerk's File No. 2012038147 O.P.R. M.C.T., for a

1 northwest corner of the herein described tract;

2 THENCE North 86°09'32" East, with the south line of said
3 0.6017 acre tract, a distance of 25.90 feet to a 5/8 inch iron rod
4 found for the southeast corner of said 0.6017 acre tract and an
5 interior corner of the herein described tract;

6 THENCE North 03°49'30" West, with the east line of said 0.6017
7 acre tract, a distance of 250.02 feet to a 5/8 inch iron rod with cap
8 marked "Landpoint 10194172" set for the northeast corner of said
9 0.6017 acre tract and an interior corner of the herein described
10 tract, from which a found 5/8 inch iron rod bears South 80°23'42"
11 West, a distance of 1.39 feet;

12 THENCE South 86°10'34" West, with the north lines of said
13 0.6017 acre tract, the called 0.61 acre tract conveyed to Rigoberto
14 Ruiz and Beatriz Ruiz, by Warranty Deed recorded under Clerk's File
15 No. 2010015437 O.P.R. M.C.T., and the called 0.61 acre tract
16 conveyed to Luis Martinez and Liana I. Martinez, by Warranty Deed
17 recorded under Clerk's File No. 2012038147 O.P.R. M.C.T. a distance
18 of 314.69 feet to a 5/8 inch iron rod found in the east line of the
19 called 7.3167 acre tract conveyed to James H. Giammatteo by
20 Warranty Deed recorded under Clerk's File No. 2001008111 O.P.R.
21 M.C.T., for the northwest corner of said 0.61 acre Martinez tract,
22 and a southwest corner of the herein described tract;

23 THENCE North 03°49'30" West, with the east line of said 7.3167
24 acre tract, a distance of 196.49 feet to a 1 inch iron pipe found in
25 the south line of the called 1.580 acre tract conveyed to James H.
26 Giammatteo, Jr., by Warranty Deed recorded under Clerk's File
27 No. 2008037058 O.P.R. M.C.T. for the northeast corner of said

1 called 7.3167 acre tract and a northwest corner of the herein
2 described tract;

3 THENCE North 86°09'41" East, with the south line of said 1.580
4 acre tract, a distance of 30.70 feet to a 5/8 inch iron rod found for
5 the southeast corner of said 1.580 acre tract and an interior corner
6 of the herein described tract;

7 THENCE North 03°49'30" West, with the east line of said 1.580
8 acre tract, a distance of 97.99 feet to a 1/2 inch iron pipe found in
9 the south line of Block 1 of said Chateau Woods, for the northeast
10 corner of said 1.580 acre tract and the most northerly northwest
11 corner of said 18.2958 acre tract and the herein described tract;

12 THENCE North 86°10'30" East, with the south line of said
13 Chateau Woods, a distance of 1000.19 feet to the POINT OF BEGINNING,
14 containing 46.673 acres (2,033,071 square feet) of land in
15 Montgomery County, Texas.

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

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

26 (c) The Texas Commission on Environmental Quality has filed
27 its recommendations relating to this Act with the governor, the

1 lieutenant governor, and the speaker of the house of
2 representatives within the required time.

3 (d) All requirements of the constitution and laws of this
4 state and the rules and procedures of the legislature with respect
5 to the notice, introduction, and passage of this Act are fulfilled
6 and accomplished.

7 SECTION 4. (a) If this Act does not receive a two-thirds
8 vote of all the members elected to each house, Subchapter C, Chapter
9 7917A, Special District Local Laws Code, as added by Section 1 of
10 this Act, is amended by adding Section 7917A.0308 to read as
11 follows:

12 Sec. 7917A.0308. NO EMINENT DOMAIN POWER. The district may
13 not exercise the power of eminent domain.

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

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

By: Bruce Ceyntor

ADOPTED

H.B. No. 4651

Substitute the following for H.B. No. 4651 ^{MAY 27 2021}:

By: Cyle S. Price

Latey Law
Secretary of the Senate

C.S. H.B. No. 4651

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

(3) "Director" means a board member.

(4) "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

1 directors as provided by Section 49.102, Water Code.

2 Sec. 7917A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section
4 7917A.0103 until each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has
6 consented by ordinance or resolution to the creation of the
7 district and to the inclusion of land in the district.

8 Sec. 7917A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

9 (a) The district is created to serve a public purpose and benefit.

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

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

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

17 Sec. 7917A.0106. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act enacting this chapter.

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

24 (1) organization, existence, or validity;

25 (2) right to issue any type of bond for the purposes
26 for which the district is created or to pay the principal of and
27 interest on a bond;

1 (3) right to impose a tax; or

2 (4) legality or operation.

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 7917A.0201. GOVERNING BODY; TERMS. (a) The district
5 is governed by a board of five elected directors.

6 (b) Except as provided by Section 7917A.0202, directors
7 serve staggered four-year terms.

8 Sec. 7917A.0202. TEMPORARY DIRECTORS. (a) On or after
9 September 1, 2021, the owner or owners of a majority of the assessed
10 value of the real property in the district may submit a petition to
11 the commission requesting that the commission appoint as temporary
12 directors the five persons named in the petition. The commission
13 shall appoint as temporary directors the five persons named in the
14 petition.

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

16 (1) the date permanent directors are elected under
17 Section 7917A.0103; or

18 (2) September 1, 2025.

19 (c) If permanent directors have not been elected under
20 Section 7917A.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 7917A.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. 7917A.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. 7917A.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. 7917A.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. 7917A.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. 7917A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
11 ORDINANCE OR RESOLUTION. 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 Sec. 7917A.0306. DIVISION OF DISTRICT. (a) The district
17 may be divided into two or more new districts only if the district:

18 (1) has no outstanding bonded debt; and

19 (2) is not imposing ad valorem taxes.

20 (b) This chapter applies to any new district created by the
21 division of the district, and a new district has all the powers and
22 duties of the district.

23 (c) A new district created by the division of the district
24 may not, at the time the new district is created, contain any land
25 outside the area described by Section 2 of the Act enacting this
26 chapter.

27 (d) The board, on its own motion or on receipt of a petition

1 signed by the owner or owners of a majority of the assessed value of
2 the real property in the district, may adopt an order dividing the
3 district.

4 (e) The board may adopt an order dividing the district
5 before or after the date the board holds an election under Section
6 7917A.0103 to confirm the district's creation.

7 (f) An order dividing the district shall:

8 (1) name each new district;

9 (2) include the metes and bounds description of the
10 territory of each new district;

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

12 and

13 (4) provide for the division of assets and liabilities
14 between the new districts.

15 (g) On or before the 30th day after the date of adoption of
16 an order dividing the district, the district shall file the order
17 with the commission and record the order in the real property
18 records of each county in which the district is located.

19 (h) A new district created by the division of the district
20 shall hold a confirmation and directors' election as required by
21 Section 7917A.0103. If the voters of a new district do not confirm
22 the creation of the new district, the assets, obligations,
23 territory, and governance of the new district revert to the
24 original district.

25 (i) If the creation of the new district is confirmed, the
26 new district shall provide the election date and results to the
27 commission.

1 (j) Any new district created by the division of the district
2 must hold an election as required by this chapter to obtain voter
3 approval before the district may impose a maintenance tax or issue
4 bonds payable wholly or partly from ad valorem taxes.

5 (k) Municipal consent to the creation of the district and to
6 the inclusion of land in the district granted under Section
7 7917A.0104 acts as municipal consent to the creation of any new
8 district created by the division of the district and to the
9 inclusion of land in the new district.

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 7917A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
12 The district may issue, without an election, bonds and other
13 obligations secured by:

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

15 (2) contract payments described by Section
16 7917A.0403.

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

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

25 Sec. 7917A.0402. OPERATION AND MAINTENANCE TAX. (a) If
26 authorized at an election held under Section 7917A.0401, the
27 district may impose an operation and maintenance tax on taxable

1 property in the district in accordance with Section 49.107, Water
2 Code.

3 (b) The board shall determine the tax rate. The rate may not
4 exceed the rate approved at the election.

5 Sec. 7917A.0403. CONTRACT TAXES. (a) In accordance with
6 Section 49.108, Water Code, the district may impose a tax other than
7 an operation and maintenance tax and use the revenue derived from
8 the tax to make payments under a contract after the provisions of
9 the contract have been approved by a majority of the district voters
10 voting at an election held for that purpose.

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

14 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

27 Sec. 7917A.0503. BONDS FOR ROAD PROJECTS. At the time of

1 issuance, the total principal amount of bonds or other obligations
2 issued or incurred to finance road projects and payable from ad
3 valorem taxes may not exceed one-fourth of the assessed value of the
4 real property in the district.

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

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

17 BEGINNING at a 1/2 inch iron pipe found in the west line of
18 Lot 14B, Block 2, of Chateau Woods, Section Six, according to the
19 Plat of same, recorded in Volume 7, Page 275, of the Map Records of
20 Montgomery County, Texas (M.R. M.C.T.), for the southeast corner of
21 Chateau Woods, according to the Plat of same, recorded in Cabinet Z,
22 Sheet 536 M.R. M.C.T., and the northeast corner of said 18.2958 acre
23 tract;

24 THENCE South 04°24'53" East, with the west line of said
25 Section Six, a distance of 329.67 feet to a 5/8 inch iron rod with
26 cap marked "Landpoint 10194172" set for the southwest corner of Lot
27 15C, of said Section Six, and an interior corner of the herein

1 described tract;

2 THENCE North 85°44'01" East, with the south line of said Lot
3 15C, a distance of 155.60 feet to a 5/8 inch iron rod found in the
4 west right of way (R.O.W.) line of Fairview Drive (60 foot wide
5 R.O.W.) for the southeast corner of said Lot 15C, and an easterly
6 northeast corner of the herein described tract;

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

12 THENCE South 85°44'01" West, with the north line of said Lot
13 16B, a distance of 154.87 feet to a 5/8 inch iron rod with cap marked
14 "Landpoint 10194172" set in the east line of the called 1.902 acre
15 tract conveyed to Dennis E. Roach and Yvonne Roach by Warranty Deed
16 recorded under Clerk's File No. 936940 O.P.R. M.C.T., for an
17 interior southwest corner of the herein described tract;

18 THENCE North 04°24'49" West, with the east line of said 1.902
19 acre tract, a distance of 5.75 feet to a 5/8 inch iron rod found for
20 the northeast corner of said 1.902 acre tract, and an interior
21 corner of the herein described tract;

22 THENCE South 84°35'28" West, with the easterly north line of
23 said 1.902 acre tract, a distance of 167.56 feet to a 5/8 inch iron
24 rod found for the northerly northwest corner of said 1.902 acre
25 tract, and an interior corner of the herein described tract;

26 THENCE South 00°23'18" East, with a northerly west line of
27 said 1.902 acre tract a distance of 127.62 feet to a 5/8 inch iron

1 rod found for an interior corner of said 1.902 acre tract;

2 THENCE South 89°36'42" West, with the westerly north line of
3 said 1.902 acre tract, a distance of 114.45 feet to a 5/8 inch iron
4 rod found for the westerly northwest corner of said 1.902 acre tract
5 and an interior corner of the herein described tract;

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

9 THENCE North 84°40'17" East, with the south line of said 1.902
10 acre tract, a distance of 295.36 feet to a 5/8 inch iron rod with cap
11 marked "Landpoint 10194172" set in the west line of Lot 17B, of said
12 Section Six, for a northeast corner of the herein described tract;

13 THENCE South 04°25'53" East, with the west line of said
14 Section Six, a distance of 254.24 feet to a 5/8 inch iron rod with
15 cap marked "Landpoint 10194172" set for the southwest corner of Lot
16 18B of said Section Six, and an interior corner of the herein
17 described tract;

18 THENCE North 85°44'23" East, with the south line of said Lot
19 18B, a distance of 149.71 feet to a 5/8 inch iron rod found in the
20 west right of way line of said Fairview Drive for the southeast
21 corner of said Lot 18B, and a northeast corner of the herein
22 described;

23 THENCE South 03°49'03" East, with said west right of way line,
24 a distance of 70.00 feet to a 1/2 iron rod found for the northeast
25 corner of Lot 19A, of said Section Six, and an easterly southeast
26 corner of the herein described tract;

27 THENCE South 85°44'23" West, with the north line of said Lot

1 19A a distance of 148.96 feet to a 5/8 inch iron rod with cap marked
2 "Landpoint 10194172" set for the northwest corner of said Lot 19A
3 and an interior corner of the herein described tract;

4 THENCE South 04°25'53" East, with the west line of said
5 Section Six, a distance of 600.26 feet to a 5/8 inch iron rod with
6 cap marked "Landpoint 10194172" set for the northeast corner of the
7 called 0.2784 acre Tract 4 conveyed to William Dana Fulton, by
8 Warranty Deed recorded under Clerk's File No. 2007-143377 O.P.R.
9 M.C.T., for the southeast corner said 29.201 acre tract and the
10 herein described tract, from which a found 1/2 inch iron rod bears
11 North 87°05'51" East, a distance of 1.60 feet;

12 THENCE South 87°05'51" West, with the south line of said
13 29.201 acre tract, a distance of 2110.00 feet to a 5/8 inch iron rod
14 with cap marked "Landpoint 10194172" set for the northwest corner
15 of the remainder of a called 19.6 acre tract conveyed to Juanita Ann
16 Stedman Crisp by Warranty Deed recorded in Volume 994, Page 33 of
17 the Deed Records of Montgomery County, Texas (D.R. M.C.T.), and an
18 interior corner of the herein described tract, from which a found 2
19 inch iron rod bears North 39°42'57" West, a distance of 0.89 feet;

20 THENCE North 02°54'09" West, a distance of 34.49 feet to a
21 point for an interior corner of the herein described tract;

22 THENCE South 86°54'05" West, a distance of 15.07 feet to a 1/2
23 inch iron rod found for the southeast corner of said 3.00 acre tract
24 and a southwest corner of the herein described tract;

25 THENCE North 04°24'02" West, with the east line of said 3.00
26 acre tract, a distance of 105.68 feet to a 5/8 inch iron rod found
27 for the southwest corner of the called 2.0 acre tract conveyed to

1 Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under
2 Clerk's File No. 2010102118 O.P.R. M.C.T. and the most westerly
3 northwest corner of the herein described 1.705 acre tract conveyed
4 to tract;

5 THENCE North 87°05'51" East, with the south line of said 2.0
6 acre tract, a distance of 152.29 feet to a 5/8 inch iron rod found
7 for the southeast corner of said 2.0 acre tract and an interior
8 corner of the herein described tract ;

9 THENCE North 02°59'46" West, with the east line of said 2.0
10 acre tract, a distance of 286.50 feet to a 5/8 inch iron rod found
11 for the southwest corner of the called 1.705 acre tract conveyed to
12 Julio E. Ortiz and Edgar S. Ortiz by Warranty Deed recorded under
13 Clerk's File No. 2010102117 O.P.R. .M.C.T., and a northwest corner
14 of the herein described tract;

15 THENCE North 87°05'51" East, with the south line of said 1.705
16 acre tract, a distance of 458.27 feet to a 5/8 inch iron rod with cap
17 marked "Landpoint 10194172" set for the southeast corner of said
18 1.705 acre tract and an interior corner of the herein described
19 tract;

20 THENCE North 03°54'02" West, with the east line of said 1.705
21 acre tract, a distance of 165.76 feet to a 5/8 inch iron rod found
22 for the northeast corner of same, and a northwest corner of the
23 herein described tract;

24 THENCE North 86°10'26" East, at 40.03 feet passing a 5/8 inch
25 iron rod found for the southwest corner of a called 0.61 acre tract
26 of land (Tract 10), recorded under Volume 814, Page 553 of the
27 O.P.R. M.C.T., and continuing for a total distance of 279.28 feet to

1 a 5/8 inch iron rod found for the southeast corner of said 0.61 acre
2 tract and an interior corner of the herein described tract;

3 THENCE North 03°49'30" West, with the west lines of said 0.61
4 acre Tract 10, the called 0.61 acre tract conveyed to Reina Fuentes
5 by Warranty Deed recorded under Clerk's File No. 2009049510
6 O.P.R.M.C.T., and the called 0.61 acre tract conveyed to Jonathan
7 R. Farkasofsky, by Warranty Deed recorded under Clerk's File
8 No. 2009041278 O.P.R. M.C.T., a distance of 337.20 feet to a 5/8
9 inch iron rod found in the south right of way line of Springwood
10 Drive (60 foot wide private R.O.W.), for a northwest corner of the
11 herein described tract;

12 THENCE North 86°10'33" East, with the south line of said
13 Springwood Drive, a distance of 473.19 feet to a 5/8 inch iron rod
14 with cap marked "Landpoint 10194172" set for an interior corner of
15 the herein described tract;

16 THENCE North 03°49'30" West, with the east right of way line
17 of said Springwood Drive, a distance of 59.97 feet to a 5/8 inch
18 iron rod found in the south line of the called 0.6017 acre tract
19 conveyed to Luis Martinez and Liana I. Martinez by Warranty Deed
20 recorded under Clerk's File No. 2012038147 O.P.R. M.C.T., for a
21 northwest corner of the herein described tract;

22 THENCE North 86°09'32" East, with the south line of said
23 0.6017 acre tract, a distance of 25.90 feet to a 5/8 inch iron rod
24 found for the southeast corner of said 0.6017 acre tract and an
25 interior corner of the herein described tract;

26 THENCE North 03°49'30" West, with the east line of said 0.6017
27 acre tract, a distance of 250.02 feet to a 5/8 inch iron rod with cap

1 marked "Landpoint 10194172" set for the northeast corner of said
2 0.6017 acre tract and an interior corner of the herein described
3 tract, from which a found 5/8 inch iron rod bears South 80°23'42"
4 West, a distance of 1.39 feet;

5 THENCE South 86°10'34" West, with the north lines of said
6 0.6017 acre tract, the called 0.61 acre tract conveyed to Rigoberto
7 Ruiz and Beatriz Ruiz, by Warranty Deed recorded under Clerk's File
8 No. 2010015437 O.P.R. M.C.T., and the called 0.61 acre tract
9 conveyed to Luis Martinez and Liana I. Martinez, by Warranty Deed
10 recorded under Clerk's File No. 2012038147 O.P.R. M.C.T. a distance
11 of 314.69 feet to a 5/8 inch iron rod found in the east line of the
12 called 7.3167 acre tract conveyed to James H. Giammatteo by
13 Warranty Deed recorded under Clerk's File No. 2001008111 O.P.R.
14 M.C.T., for the northwest corner of said 0.61 acre Martinez tract,
15 and a southwest corner of the herein described tract;

16 THENCE North 03°49'30" West, with the east line of said 7.3167
17 acre tract, a distance of 196.49 feet to a 1 inch iron pipe found in
18 the south line of the called 1.580 acre tract conveyed to James H.
19 Giammatteo, Jr., by Warranty Deed recorded under Clerk's File
20 No. 2008037058 O.P.R. M.C.T. for the northeast corner of said
21 called 7.3167 acre tract and a northwest corner of the herein
22 described tract;

23 THENCE North 86°09'41" East, with the south line of said 1.580
24 acre tract, a distance of 30.70 feet to a 5/8 inch iron rod found for
25 the southeast corner of said 1.580 acre tract and an interior corner
26 of the herein described tract;

27 THENCE North 03°49'30" West, with the east line of said 1.580

1 acre tract, a distance of 97.99 feet to a 1/2 inch iron pipe found in
2 the south line of Block 1 of said Chateau Woods, for the northeast
3 corner of said 1.580 acre tract and the most northerly northwest
4 corner of said 18.2958 acre tract and the herein described tract;

5 THENCE North 86°10'30" East, with the south line of said
6 Chateau Woods, a distance of 1000.19 feet to the POINT OF BEGINNING,
7 containing 46.673 acres (2,033,071 square feet) of land in
8 Montgomery County, Texas.

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

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

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

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

27 SECTION 4. (a) If this Act does not receive a two-thirds

1 vote of all the members elected to each house, Subchapter C, Chapter
2 7917A, Special District Local Laws Code, as added by Section 1 of
3 this Act, is amended by adding Section 7917A.0307 to read as
4 follows:

5 Sec. 7917A.0307. NO EMINENT DOMAIN POWER. The district may
6 not exercise the power of eminent domain.

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

10 SECTION 5. This 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: HB4651 by Toth (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.), **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, CMA, AF, DPE, AJL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 20, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4651 by Toth (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.), **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 19, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4651 by Toth (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.), **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 26, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4651 by Toth (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.), **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 26, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4651 by Toth (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.), **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 Municipal Utility District No. 203 (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, Map Records of Montgomery County, Texas, Deed Records 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 0.07 square miles in southern Montgomery County, east of Interstate 45 and the Woodlands Community. The proposed district appears to be southwest of the intersection of Fairview Drive and Chateau Woods Parkway.

Comments on Powers/Duties Different from Similar Types of Districts: 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 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 bill grants the District authority for road projects. The bill specifies that if all or part of the territory of the District is annexed by the City of Oak Ridge North into the City's corporate limits, the District retains all of the District's outstanding debt and obligations and is not dissolved. The bill allows the District to divide. 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. 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