

AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 237; 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 7981A to read as follows:

CHAPTER 7981A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO.

237

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7981A.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. 237.

Sec. 7981A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7981A.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. 7981A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section
4 7981A.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 as required by
8 applicable law.

9 Sec. 7981A.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. 7981A.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. 7981A.0201. GOVERNING BODY; TERMS. (a) The district
6 is governed by a board of five elected directors.

7 (b) Except as provided by Section 7981A.0202, directors
8 serve staggered four-year terms.

9 Sec. 7981A.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 7981A.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 7981A.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 7981A.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. 7981A.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. 7981A.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. 7981A.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. 7981A.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. 7981A.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 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 7981A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
20 The district may issue, without an election, bonds and other
21 obligations secured by:

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

23 (2) contract payments described by Section
24 7981A.0403.

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

1 payable from ad valorem taxes.

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

6 Sec. 7981A.0402. OPERATION AND MAINTENANCE TAX. (a) If
7 authorized at an election held under Section 7981A.0401, the
8 district may impose an operation and maintenance tax on taxable
9 property in the district in accordance with Section 49.107, Water
10 Code.

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

13 Sec. 7981A.0403. CONTRACT TAXES. (a) In accordance with
14 Section 49.108, Water Code, the district may impose a tax other than
15 an operation and maintenance tax and use the revenue derived from
16 the tax to make payments under a contract after the provisions of
17 the contract have been approved by a majority of the district voters
18 voting at an election held for that purpose.

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

22 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

23 Sec. 7981A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
24 OBLIGATIONS. The district may issue bonds or other obligations
25 payable wholly or partly from ad valorem taxes, impact fees,
26 revenue, contract payments, grants, or other district money, or any
27 combination of those sources, to pay for any authorized district

1 purpose.

2 Sec. 7981A.0502. TAXES FOR BONDS. At the time the district
3 issues bonds payable wholly or partly from ad valorem taxes, the
4 board shall provide for the annual imposition of a continuing
5 direct ad valorem tax, without limit as to rate or amount, while all
6 or part of the bonds are outstanding as required and in the manner
7 provided by Sections 54.601 and 54.602, Water Code.

8 Sec. 7981A.0503. BONDS FOR ROAD PROJECTS. At the time of
9 issuance, the total principal amount of bonds or other obligations
10 issued or incurred to finance road projects and payable from ad
11 valorem taxes may not exceed one-fourth of the assessed value of the
12 real property in the district.

13 SECTION 2. Montgomery County Municipal Utility District
14 No. 237 initially includes all the territory contained in the
15 following area:

16 A 387.6058 ACRE TRACT OF IN THE S. TERRY SURVEY, ABSTRACT NO.
17 564, AND IN THE MARSHALL H. SHORT SURVEY, ABSTRACT NO. 535,
18 MONTGOMERY COUNTY, BEING OUT OF AND A PART OF A CALLED 1,702.2 ACRE
19 TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF 1992 GUNIGANTI CREDIT
20 SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY TRUSTS AS RECORDED UNDER
21 MONTGOMERY COUNTY CLERK'S FILE NUMBER (M.C.C.F. NO.) 2019097078
22 (DESCRIBED UNDER M.C.C.F. NO. 2012127211), THE SAID 387.6058 ACRE
23 TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS
24 FOLLOWS, (WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF
25 1983, CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS):

26 COMMENCING at a 3/4-inch iron rod found marking an angle in
27 the west line of said 1,702.2 acre tract, and the west line of a

1 called 150.00 acre tract, conveyed to TC LB Royal Pines, LP as
2 recorded under M.C.C.F. NO. 2021171601;

3 THENCE, North 03°35'35" West, along the west line of said
4 1,702.2 acre tract, and said 150.00 acre tract, passing at a
5 distance of 10.54 feet, a found 5/8" iron rod with cap stamped
6 "TERRA", passing at a distance of 874 feet, the approximate
7 centerline of White Oak Creek, being the northwest corner of the
8 said 150.00 acre tract, continuing along the west line of said
9 1,702.2 acre tract a total distance of 2,433.36 feet, to the
10 southwest corner and POINT OF BEGINNING of the herein described
11 tract;

12 THENCE, North 03°35'35" West, continuing along said line, a
13 distance of 2,139.24 feet to a 1/2" iron rod found marking the
14 northeast corner of Lot 6, Block 3, White Oak Crossing Sec 4 (WOC4),
15 map or plat thereof recorded under Cabinet (Cab.) Z, Sheet (Sht.)
16 3640 of the Montgomery County Map Records (M.C.M.R.), and an
17 interior corner of said 1,702.2 acre tract, and the herein
18 described tract;

19 THENCE, South 87°08'26" West, along the north lines of said
20 WOC4, and White Oak Crossing Sec 3 (WOC3), map or plat thereof
21 recorded under Cab. Z, Sht. 2286 M.C.M.R., common with the
22 southerly line of said 1,702.2 acre tract and the herein described
23 tract, a distance of 2,132.46 feet, to a 5/8" iron rod with cap
24 stamped "HOVIS" found marking the northwest corner of Lot 19, Block
25 5, of said WOC3;

26 THENCE, North 02°20'49" West, along the east line of said
27 WOC3, common with the west line of said 1,702.2 acre tract, a

1 distance of 2,206.27 feet, to the most easterly northeast corner of
2 said WOC3, and the southeast corner of a called 19.14 acre tract
3 conveyed to Prabhakar R. Guniganti as recorded under M.C.C.F. NO.
4 2016114018, and an exterior corner of the herein described tract;

5 THENCE, South $86^{\circ}41'57''$ West, along the southerly line of
6 said 19.14 acre tract, common with the northerly line of said WOC3,
7 a distance of 432.45 feet, to the southwest corner of said 19.14
8 acre tract, and an exterior corner of the herein described tract;

9 THENCE, North $02^{\circ}19'57''$ West, along the west line of said
10 19.14 acre tract, passing at a distance of 2,046.52 feet the
11 northwest corner of said 19.14 acre tract, and an exterior corner of
12 aforesaid 1,702.2 acre tract, continuing along the west line of
13 said 1,702.2 acre tract a total distance of 2,515.79 feet, to the
14 northwest corner of the herein described tract;

15 THENCE, departing said line, and over and across said 1,702.2
16 acre tract the following seventeen (17) courses and distances:

17 South $68^{\circ}09'29''$ East, a distance of 4,491.85 feet, to
18 the beginning of a curve to the right;

19 In a southerly direction, along said curve to the right,
20 having a radius of 2,050.00 feet, a central angle of $15^{\circ}36'33''$
21 (chord bears South $07^{\circ}15'23''$ West, 556.76 feet) and an arc distance
22 of 558.49 feet, to the point of tangency;

23 South $15^{\circ}03'39''$ West, a distance of 882.15 feet, to the
24 beginning of a curve to the left;

25 In a southerly direction, along said curve to the left,
26 having a radius of 1,950.00 feet, a central angle of $07^{\circ}44'29''$
27 (chord bears South $11^{\circ}11'25''$ West, 263.27 feet) and an arc distance

1 of 263.47 feet, to the beginning of a compound curve to the left;

2 In a southeasterly direction, along said compound curve
3 to the left, having a radius of 25.00 feet, a central angle of
4 $91^{\circ}48'57''$ (chord bears South $38^{\circ}35'18''$ East, 35.91 feet) and an arc
5 distance of 40.06 feet, to the point of tangency;

6 South $06^{\circ}10'01''$ West, a distance of 50.00 feet, to the
7 beginning of a curve to the left;

8 In a southwesterly direction, along said curve to the
9 left, having a radius of 25.00 feet, a central angle of $91^{\circ}08'39''$
10 (chord bears South $49^{\circ}54'53''$ West, 35.71 feet) and an arc distance
11 of 39.77 feet, to the point of compound curvature;

12 In a southerly direction, along said compound curve to
13 the left, having a radius of 1,950.00 feet, a central angle of
14 $23^{\circ}31'46''$ (chord bears South $07^{\circ}25'20''$ East, 795.19 feet) and an arc
15 distance of 800.80 feet, to the point of tangency;

16 South $19^{\circ}11'13''$ East, a distance of 1,066.21 feet, to
17 the beginning of a curve to the right;

18 In a southerly direction, along said curve to the right,
19 having a radius of 2,050.00 feet, a central angle of $07^{\circ}32'44''$
20 (chord bears South $15^{\circ}24'51''$ East, 269.78 feet) and an arc distance
21 of 269.97 feet, to the point of reverse curvature;

22 In a southeasterly direction, along said reverse curve
23 to the left, having a radius of 25.00 feet, a central angle of
24 $88^{\circ}28'52''$ (chord bears South $55^{\circ}52'55''$ East, 34.88 feet) and an arc
25 distance of 38.61 feet, to the point of tangency;

26 South $10^{\circ}07'21''$ East, a distance of 60.00 feet, to the
27 beginning of a curve to the left;

1 In a southwesterly direction, along said curve to the
2 left, having a radius of 25.00 feet, a central angle of 88°28'52"
3 (chord bears South 35°38'13" West, 34.88 feet) and an arc distance
4 of 38.61 feet, to the point of reverse curvature;

5 In a southerly direction, along said reverse curve to
6 the right, having a radius of 2,050.00 feet, a central angle of
7 14°38'26" (chord bears South 01°17'00" East, 522.40 feet) and an arc
8 distance of 523.83 feet, to the point of tangency;

9 South 06°02'13" West, a distance of 580.47 feet, to the
10 southeast corner of the herein described tract;

11 South 87°48'48" West, a distance of 101.04 feet, to the
12 beginning of a curve to the left;

13 In a northwesterly direction, along said curve to the
14 left, having a radius of 25.00 feet, a central angle of 98°13'24"
15 (chord bears North 43°04'30" West, 37.80 feet) and an arc distance
16 of 42.86 feet, to the end of said curve;

17 THENCE, South 87°48'48" West, a distance of 1,288.88 feet, to
18 the POINT OF BEGINNING, and containing 387.6058 acres of land.

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

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

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

10 SECTION 4. (a) If this Act does not receive a two-thirds
11 vote of all the members elected to each house, Subchapter C, Chapter
12 7981A, Special District Local Laws Code, as added by Section 1 of
13 this Act, is amended by adding Section 7981A.0306 to read as
14 follows:

15 Sec. 7981A.0306. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

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

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2597 passed the Senate on May 17, 2023, by the following vote: Yeas 26, Nays 4, one present not voting.

Secretary of the Senate

I hereby certify that S.B. No. 2597 passed the House on May 24, 2023, by the following vote: Yeas 105, Nays 33, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor