

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bell of Montgomery

H.B. No. 5344

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 236; 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 7968A to read as follows:

CHAPTER 7968A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT

NO. 236

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7968A.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. 236.

Sec. 7968A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7968A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent

directors as provided by Section 49.102, Water Code.

Sec. 7968A.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7968A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 7968A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

Sec. 7968A.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

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

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. 7968A.0201. GOVERNING BODY; TERMS. (a) The district  
6 is governed by a board of five elected directors.

7 (b) Except as provided by Section 7968A.0202, directors  
8 serve staggered four-year terms.

9 Sec. 7968A.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 7968A.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 7968A.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 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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 7968A.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. 7968A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
7 authorized at an election held under Section 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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. 236 initially includes all the territory contained in the  
15 following area:

16 A 231.1123 ACRE TRACT OF LAND IN THE S. TERRY SURVEY, ABSTRACT  
17 NO. 564, MONTGOMERY COUNTY, TEXAS, BEING OUT OF AND A PART OF A  
18 CALLED 1,702.2 ACRE TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF  
19 1992 GUNIGANTI CREDIT SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY  
20 TRUSTS AS RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NUMBER  
21 (M.C.C.F. NO.) 2019097078 (DESCRIBED UNDER M.C.C.F. NO.  
22 2012127211), THE SAID 231.1123 ACRE TRACT BEING MORE PARTICULARLY  
23 DESCRIBED BY METES AND BOUNDS AS FOLLOWS, (WITH BEARINGS BASED ON  
24 THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY  
25 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

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

THENCE, North 03°35'35" West, along the west line of said 1,702.2 acre tract, and said 150.00 acre tract, passing at a distance of 10.54 feet, a found 5/8" iron rod with cap stamped "TERRA", passing at a distance of 874 feet, the approximate centerline of White Oak Creek, being the northwest corner of the said 150.00 acre tract, continuing along the west line of said 1,702.2 acre tract a total distance of 4,572.60 feet, to a 1/2" iron rod found marking the northeast corner of Lot 6, Block 3, White Oak Crossing Sec 4 (WOC4), map or plat thereof recorded under Cabinet (Cab.) Z, Sheet (Sht.) 3640 Montgomery County Map Records (M.C.M.R.), and an interior corner of said 1,702.2 acre tract, and the herein described tract;

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

THENCE, North 07°21'12" West, departing said common line, over and across said WOC3, A 19.14 acre tract conveyed to Prabhakar R. Guniganti as recorded under M.C.C.F. NO. 2016114018, and said 1,702.2 acre tract, a distance of 4,946.84 feet, to the west line of said 1,702.2 acre tract marking the southwest corner, and POINT OF BEGINNING of the herein described tract;

1       THENCE, North 02°19'57" West, along the west line of said  
2 1,702.2 acre tract, passing at a distance of 7.13 feet the southerly  
3 Right-Of-Way (R.O.W.) line of State Highway 99 (A.K.A. Grand  
4 Parkway), as described in the agreed final judgement recorded under  
5 M.C.C.F. NO. 2022115684, passing at a distance of 407.22 feet, the  
6 northerly R.O.W. line of said State Highway 99, continuing a total  
7 distance of 2,694.43 feet, to the northwest corner of said 1,702.2  
8 acre tract and the herein described tract;

9       THENCE, North 86°56'15" East, along the northerly line of said  
10 1,702.2 acre tract, a distance of 2,313.87 feet, to an angle in the  
11 north line of said 1,702.2 acre tract and the herein described  
12 tract;

13       THENCE, North 88°18'37" East, along the northerly line of said  
14 1,702.2 acre tract, a distance of 84.62 feet, to the northeast  
15 corner of the herein described tract;

16       THENCE, over and across said 1,702.2 acre tract, the  
17 following twenty nine (29) courses and distances:

18       South 01°34'11" East, a distance of 523.07 feet, to an angle  
19 in the east line of the herein described tract;

20       South 88°20'05" East, a distance of 320.48 feet, to an angle  
21 in the east line of the herein described tract;

22       South 72°57'20" East, a distance of 524.04 feet, to an angle  
23 in the east line of the herein described tract;

24       South 55°07'09" East, a distance of 242.85 feet, to an angle  
25 in the east line of the herein described tract;

26       South 26°44'17" East, a distance of 274.37 feet, to an angle  
27 in the east line of the herein described tract;

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1 South 34°39'23" East, a distance of 466.61 feet, to an angle  
2 in the east line of the herein described tract;

3 South 29°43'18" East, a distance of 94.04 feet, to an angle in  
4 the east line of the herein described tract;

5 South 03°45'41" West, a distance of 196.73 feet, to an angle  
6 in the east line of the herein described tract;

7 South 27°52'41" East, a distance of 382.54 feet, to an angle  
8 in the east line of the herein described tract;

9 South 29°14'09" East, a distance of 98.06 feet, to an angle in  
10 the east line of the herein described tract;

11 South 18°42'01" West, a distance of 156.58 feet, to an angle  
12 in the east line of the herein described tract;

13 South 45°05'06" West, a distance of 138.46 feet, to an angle  
14 in the east line of the herein described tract;

15 South 72°00'22" West, a distance of 171.11 feet, to an angle  
16 in the east line of the herein described tract;

17 South 64°09'37" West, a distance of 133.85 feet, to the  
18 beginning of a curve to the right;

19 In a southwesterly direction, along said curve to the right,  
20 having a radius of 3,014.66 feet, a central angle of 01°26'03"  
21 (chord bears South 64°04'47" West, 75.45 feet) and an arc distance  
22 of 75.45 feet, to the beginning of a reverse curve to the left;

23 In a southwesterly direction, along said reverse curve to the  
24 left, having a radius of 100.00 feet, a central angle of 13°17'38"  
25 (chord bears South 57°47'21" West, 23.15 feet) and an arc distance  
26 of 23.20 feet, to the beginning of a reverse curve to the right;

27 In a southwesterly direction, along said reverse curve to the

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1 right, having a radius of 500.00 feet, a central angle of 12°42'15"  
2 (chord bears South 57°29'40" West, 110.64 feet) and an arc distance  
3 of 110.86 feet, to the beginning of a reverse curve to the left;

4 In a southwesterly direction, along said reverse curve to the  
5 left, having a radius of 100.00 feet, a central angle of 07°23'59"  
6 (chord bears South 60°08'48" West, 12.91 feet) and an arc distance  
7 of 12.92 feet, to the beginning of a reverse curve to the right;

8 In a southwesterly direction, along said reverse curve to the  
9 right, having a radius of 100.00 feet, a central angle of 23°30'02"  
10 (chord bears South 68°11'50" West, 40.73 feet) and an arc distance  
11 of 41.02 feet, to the point of tangency;

12 South 79°56'51" West, a distance of 52.57 feet, to the  
13 beginning of a curve to the right;

14 In a westerly direction, along said curve to the right,  
15 having a radius of 100.00 feet, a central angle of 24°12'11" (chord  
16 bears North 87°57'04" West, 41.93 feet) and an arc distance of 42.24  
17 feet, to the point of compound curvature;

18 In a northwesterly direction, along said compound curve to  
19 the right, having a radius of 500.00 feet, a central angle of  
20 01°07'37" (chord bears North 75°17'10" West, 9.83 feet) and an arc  
21 distance of 9.83 feet, to the point of reverse curvature;

22 In a southwesterly direction, along said reverse curve to the  
23 left, having a radius of 100.00 feet, a central angle of 59°15'48"  
24 (chord bears South 75°38'44" West, 98.88 feet) and an arc distance  
25 of 103.43 feet, to the point of tangency;

26 South 46°00'50" West, a distance of 240.66 feet, to an angle  
27 in the southerly line of the herein described tract;

1 North 47°45'22" West, a distance of 351.90 feet, to the  
2 beginning of a curve to the right;

3 In a northwesterly direction, along said curve to the right,  
4 having a radius of 1,250.00 feet, a central angle of 01°33'58"  
5 (chord bears North 46°58'23" West, 34.17 feet) and an arc distance  
6 of 34.17 feet, to the point of tangency;

7 South 53°50'57" West, a distance of 302.10 feet, to the  
8 beginning of a curve to the left;

9 In a southwesterly direction, along said curve to the left,  
10 having a radius of 2,000.00 feet, a central angle of 17°35'11"  
11 (chord bears South 45°03'21" West, 611.48 feet) and an arc distance  
12 of 613.89 feet, to the point of tangency;

13 South 36°15'45" West, a distance of 406.05 feet, to an angle  
14 in the southerly line of the herein described tract;

15 THENCE, North 68°09'29" West, a distance of 1,868.05 feet, to  
16 the POINT OF BEGINNING, and containing 231.1123 acres of land.

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

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

27 (c) The Texas Commission on Environmental Quality has filed



1 its recommendations relating to this Act with the governor, the  
2 lieutenant governor, and the speaker of the house of  
3 representatives within the required time.

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

8 SECTION 4. (a) If this Act does not receive a two-thirds  
9 vote of all the members elected to each house, Subchapter C, Chapter  
10 7968A, Special District Local Laws Code, as added by Section 1 of  
11 this Act, is amended by adding Section 7968A.0306 to read as  
12 follows:

13 Sec. 7968A.0306. NO EMINENT DOMAIN POWER. The district may  
14 not exercise the power of eminent domain.

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

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

By: Brandon Ceytlor  
Substitute the following for H.B. No. 5344:

By: [Signature]

**ADOPTED**  
H.B. No. 5344  
**MAY 24 2023**

C.S. H. B. No. 5344  
Secretary of the Senate

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Deer Creek Ranch Municipal Utility District No. 1 and the Montgomery County Municipal Utility District No. 236; 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. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7960 to read as follows:

CHAPTER 7960. DEER CREEK RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7960.0101. 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 Deer Creek Ranch Municipal Utility District No. 1.

Sec. 7960.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0103. 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. 7960.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
3 temporary directors may not hold an election under Section  
4 7960.0103 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. 7960.0105. 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. 7960.0106. INITIAL DISTRICT TERRITORY. (a) The  
19 district is initially composed of the territory described by  
20 Section 1(b) of the Act enacting this chapter.

21 (b) The boundaries and field notes contained in Section 1(b)  
22 of the Act enacting this chapter form a closure. A mistake made in  
23 the field notes or in copying the field notes in the legislative  
24 process 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. 7960.0201. GOVERNING BODY; TERMS. (a) The district is  
6 governed by a board of five elected directors.

7 (b) Except as provided by Section 7960.0202, directors  
8 serve staggered four-year terms.

9 Sec. 7960.0202. 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 7960.0103; 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 7960.0103 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 7960.0103; 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. 7960.0301. 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. 7960.0302. 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. 7960.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
20 52, Article III, Texas Constitution, the district may design,  
21 acquire, construct, finance, issue bonds for, improve, operate,  
22 maintain, and convey to this state, a county, or a municipality for  
23 operation and maintenance macadamized, graveled, or paved roads, or  
24 improvements, including storm drainage, in aid of those roads.

25           Sec. 7960.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
26 road project must meet all applicable construction standards,  
27 zoning and subdivision requirements, and regulations of each

1 municipality in whose corporate limits or extraterritorial  
2 jurisdiction the road project is located.

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

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

11 Sec. 7960.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
12 ORDINANCE OR RESOLUTION. The district shall comply with all  
13 applicable requirements of any ordinance or resolution that is  
14 adopted under Section 54.016 or 54.0165, Water Code, and that  
15 consents to the creation of the district or to the inclusion of land  
16 in the district.

17 Sec. 7960.0306. DIVISION OF DISTRICT. (a) The board, on  
18 its own motion or on receipt of a petition signed by the owner or  
19 owners of a majority of the assessed value of the real property in  
20 the district, may adopt an order dividing the district.

21 (b) An order dividing a district may create one or more new  
22 districts and may provide for the continuation of the district.

23 (c) An order dividing the district shall:

24 (1) name any new district;

25 (2) include the metes and bounds description of the  
26 territory of each of the districts;

27 (3) appoint temporary directors for any new district;

1 and

2 (4) provide for the division of assets and liabilities  
3 between the districts.

4 (d) The board may adopt an order dividing the district  
5 before or after the date the board holds an election to confirm the  
6 district's creation.

7 (e) The district may be divided only if the district:

8 (1) has never issued any bonds; and

9 (2) is not imposing ad valorem taxes.

10 (f) A new district created by the division of the district  
11 may not, at the time the new district is created, contain any land  
12 outside the area described by Section 1(b) of the Act enacting this  
13 chapter.

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

18 (h) This chapter applies to any new district created by the  
19 division of the district, and a new district has all the powers and  
20 duties of the district.

21 (i) A new district created by the division of the district  
22 shall hold a confirmation and directors' election.

23 (j) If the creation of the new district is confirmed, the  
24 new district shall provide the election date and results to the  
25 commission.

26 (k) A new district created by the division of the district  
27 must hold an election as required by this chapter to obtain voter

1 approval before the district may impose a maintenance tax or issue  
2 bonds payable wholly or partly from ad valorem taxes.

3 (1) The district may continue to rely on confirmation,  
4 directors', bond, or tax elections held prior to the division.

5 (m) Municipal consent to the creation of the district and to  
6 the inclusion of land in the district acts as municipal consent to  
7 the creation of any new district created by the division of the  
8 district and to the inclusion of land in the new district.

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 7960.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
11 The district may issue, without an election, bonds and other  
12 obligations secured by:

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

14 (2) contract payments described by Section 7960.0403.

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

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

23 Sec. 7960.0402. OPERATION AND MAINTENANCE TAX. (a) If  
24 authorized at an election held under Section 7960.0401, the  
25 district may impose an operation and maintenance tax on taxable  
26 property in the district in accordance with Section 49.107, Water  
27 Code.



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

3       Sec. 7960.0403. CONTRACT TAXES. (a) In accordance with  
4 Section 49.108, Water Code, the district may impose a tax other than  
5 an operation and maintenance tax and use the revenue derived from  
6 the tax to make payments under a contract after the provisions of  
7 the contract have been approved by a majority of the district voters  
8 voting at an election held for that purpose.

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

12               SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

13       Sec. 7960.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
14 OBLIGATIONS. The district may issue bonds or other obligations  
15 payable wholly or partly from ad valorem taxes, impact fees,  
16 revenue, contract payments, grants, or other district money, or any  
17 combination of those sources, to pay for any authorized district  
18 purpose.

19       Sec. 7960.0502. TAXES FOR BONDS. At the time the district  
20 issues bonds payable wholly or partly from ad valorem taxes, the  
21 board shall provide for the annual imposition of a continuing  
22 direct ad valorem tax, without limit as to rate or amount, while all  
23 or part of the bonds are outstanding as required and in the manner  
24 provided by Sections 54.601 and 54.602, Water Code.

25       Sec. 7960.0503. BONDS FOR ROAD PROJECTS. At the time of  
26 issuance, the total principal amount of bonds or other obligations  
27 issued or incurred to finance road projects and payable from ad

1 valorem taxes may not exceed one-fourth of the assessed value of the  
2 real property in the district.

3 (b) The Deer Creek Ranch Municipal Utility District No. 1  
4 initially includes all the territory contained in the following  
5 area:

6 A 685.400 ACRE TRACT OF LAND SITUATED IN THE THOMAS POLK  
7 SURVEY, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 35,  
8 ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 396, THE  
9 SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 1087 AND THE SAMUEL W. DAVIS  
10 SURVEY, ABSTRACT NO. 165, LOCATED IN BELL COUNTY, TEXAS AND  
11 McCLENNAN COUNTY, TEXAS AND BEING A PORTION OF A CALLED 730.417 ACRE  
12 TRACT OF LAND CONVEYED TO VWB TRUST BY INSTRUMENTS RECORDED IN  
13 DOCUMENT NO. 20160034747 OF THE OFFICIAL PPUBLIC RECORDS OF BELL  
14 COUNTY, TEXAS AND IN DOCUMENT NO. 2016029961 OF THE OFFICIAL PUBLIC  
15 RECORDS OF McCLENNAN COUNTY, TEXAS. SAID 685.400 ACRE TRACT BEING  
16 MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH  
17 AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS  
18 COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

19 BEGINNING at a 1/2" iron rod found on a point being the  
20 northeast corner of said 730.417-acre tract of land, for the  
21 northeast corner and POINT OF BEGINNING hereof;

22 THENCE with the east boundary line of said 730.417-acre  
23 tract, the following three (3) courses and distances:

24 1. S 29°39'16" E for a distance of 23.01 feet to an angle point  
25 hereof,

26 2. S 29°37'25" E for a distance of 486.87 feet to an angle point  
27 hereof, and

1 3. S 29°29'03" E for a distance of 493.85 feet to a point being the  
2 northeast corner of a called 5.525-acre tract of land conveyed to  
3 Larry Pietsch et ux, by instrument recorded in Document  
4 No. 2010000488 of the Official Public Records of Falls County,  
5 Texas, for an angle point hereof;

6 THENCE with the north boundary line of said 5.525-acre tract,  
7 the following two (2) courses and distances:

8 1. S 57°58'39" W for a distance of 542.26 feet to an angle point  
9 hereof, and

10 2. S 56°02'27" W for a distance of 58.49 feet to a point being the  
11 northwest corner of said 5.525-acre tract, for an angle point  
12 hereof;

13 THENCE with west boundary line of said 5.525-acre tract,  
14 S 32°56'37" E for a distance of 396.46 feet to a point being the  
15 northwest corner of a called 5.075-acre tract of land conveyed to  
16 Larry Pietsch et ux, by instrument recorded in Document no.  
17 2010000485 of the Official Public Records of Falls County, Texas,  
18 same being the southwest corner of said 5.525-acre tract, for an  
19 angle point hereof;

20 THENCE with the west boundary line of said 5.075-acre tract,  
21 S 14°23'05" E for a distance of 363.73 feet to a point being the  
22 southwest corner of said 5.075-acre tract for an angle point  
23 hereof;

24 THENCE with the south boundary line of said 5.075-acre tract  
25 N 59°41'47" E for a distance of 143.92 feet to a point in the  
26 approximate west boundary line of Falls County, Texas, same being  
27 the approximate east boundary line of Bell County, Texas, for an

1 angle point hereof;

2       THENCE departing the south boundary line of said 5.075-acre  
3 tract with the approximate west boundary line of Falls County,  
4 Texas, same being the approximate east boundary line of Bell  
5 County, Texas and through the interior of said 730.417 acre tract,  
6 S 32°52'48" E for a distance of 2076.93 feet to a point in the north  
7 right-of-way line of County Road 498 (right-of-way width varies),  
8 same being the southern boundary line of said 730.417-acre tract  
9 for the southeast corner hereof;

10       THENCE with the north right-of-way line of County Road 498,  
11 same being the southern boundary line of said 730.417-acre tract,  
12 the following six (6) courses and distances:

13 1. S 59°45'11" W for a distance of 307.98 feet to a point  
14 2. S 56°40'31" W for a distance of 452.77 feet to an angle point  
15 hereof,  
16 3. S 59°50'03" W for a distance of 818.71 feet to an angle point  
17 hereof,  
18 4. S 59°28'26" W for a distance of 725.73 feet to an angle point  
19 hereof,  
20 5. S 59°11'05" W for a distance of 653.72 feet to 1/2" iron rod  
21 found on a point, for an angle point hereof, and  
22 6. S 15°31'38" W for a distance of 522.86 feet to a 1/2" iron rod  
23 found on a point being the northeasterly corner of a called 125-acre  
24 tract of land conveyed to Jackie Elizabeth Bounds, et al by  
25 instrument recorded on Document No. 2020014897 of the Official  
26 Public Records of Bell County, Texas, same being a southeasterly  
27 corner of said 730.417-acre tract, for a southeasterly corner

1 hereof;

2       THENCE with the northerly boundary line of said 125-acre  
3 tract, same being the southerly boundary line of said 730.417-acre  
4 tract, the following four (4) courses and distances:

5 1. N 68°17'07" W for a distance of 1982.29 feet to an angle point  
6 hereof,

7 2. S 20°13'41" W for a distance of 1194.63 feet to a 1/2" iron rod  
8 found on an angle point hereof,

9 3. N 70°00'40" W for a distance of 1040.46 feet to a 1/2" iron rod  
10 found on an angle point hereof, and

11 4. S 20°16'01" W for a distance of 913.53 feet to a point in the  
12 north boundary line of called 50.00-acre tract of land conveyed to  
13 Howard Thomas Daye and Glenda Marie Daye, by instrument recorded in  
14 Document No. 20085002539 of the Official Public Records of Bell  
15 County, Texas, same being the southwesterly corner of said 125-acre  
16 tract, for an angle point hereof;

17       THENCE with, in part, the northerly boundary lines of: said  
18 50.002-acre tract, a called 9.68-acre tract conveyed to Arthur  
19 Poston, by instrument recorded in Volume 5990, Page 314 of the  
20 Probate Records of Bell County, Texas and a called 64-acre tract of  
21 land conveyed to John D. Price and Vi Price, by instrument recorded  
22 in Volume 3324, Page 204 of the Deed Records of Bell County, Texas,  
23 respectively, same being the southerly boundary line of said  
24 730.417-acre tract, N 69°43'06" W for a distance of 1577.88 feet to  
25 a 1/2" iron rod found on a point in the southeasterly boundary line  
26 of a called 89.5-acre tract of land conveyed to the H.B. Hillyard,  
27 Jr. and Julia I. Hillyard Revocable Living Trust, by instrument

1 recorded in Volume 1845, Page 808 of the Deed Records of McClennan  
2 County, Texas, for an angle point hereof;

3       THENCE with the southeasterly boundary line of said 89.5-acre  
4 tract, same being the southerly boundary line of said 730.417-acre  
5 tract, N 57°14'15" E for a distance of 1017.80 feet to a 1/2" iron  
6 rod found on a point being the northeast corner of said 89.5-acre  
7 tract, for an angle point hereof;

8       THENCE with the northerly boundary line of said 89.5-acre  
9 tract, same being the southerly boundary line of said 730.417-acre  
10 tract, N 73°22'08" W for a distance of 2682.51 feet to a to a 1/2"  
11 iron rod found on a point in the easterly right-of-way of Neal Road  
12 (right-of-way width varies), said point being the northwest corner  
13 of said 89.5-acre tract, same being the southwesterly corner of  
14 said 730.417-acre tract, for the southwesterly corner hereof;

15       THENCE with the easterly right-of-way line of said Neal Road,  
16 same being the westerly boundary line of said 730.417-acre tract,  
17 the following two (2) courses and distances:

18             N 16°44'59" E for a distance of 641.51 feet to an angle  
19 point hereof, and

20             N 16°43'27" E for a distance of 1649.96 feet to a 1/2:"  
21 iron rod found on a point in the southerly margin of Franklin  
22 Road, said point being the northwest corner of said  
23 730.417-acre tract, for the northwest corner hereof;

24       THENCE with the southerly margin of said Franklin Road, same  
25 being the northwesterly boundary line of said 730.417-acre tract,  
26 the following three (3) courses and distances:

27 1. N 88°45'56" E for a distance of 1956.89 feet to an angle point

1 hereof,

2 2. S 89°44'59" E for a distance of 1153.82 feet to a 1/2" iron rod  
3 found on for an angle point hereof, and

4 3. N 59°40'59" E for a distance of 1208.65 feet to an angle point  
5 hereof;

6 THENCE departing the southerly margin of Franklin Road,  
7 through the interior of said 730.417-acre tract, S 61°17'12" E for a  
8 distance of 29.19 feet to a point being the northwesterly corner of  
9 a called 10.00-acre tract of land conveyed to Kimberly Worthington,  
10 by instrument recorded in Document No. 2021020842 of the Official  
11 Public Records of McClennan County, Texas, for an angle point  
12 hereof;

13 THENCE with the westerly, southerly and easterly boundary  
14 lines, respectively, of said 10.00-acre tract the following twelve  
15 (12) courses and distances:

16 1. S 61°17'12" E for a distance of 324.55 feet to an angle point  
17 hereof,

18 2. N 06°20'39" E for a distance of 80.42 feet to an angle point  
19 hereof,

20 3. N 57°20'12" E for a distance of 81.81 feet to an angle point  
21 hereof,

22 4. S 23°32'20" E for a distance of 67.80 feet to an angle point  
23 hereof,

24 5. S 08°42'13" E for a distance of 181.25 feet to an angle point  
25 hereof,

26 6. N 39°25'15" E for a distance of 103.44 feet to an angle point  
27 hereof,

1 7. S 22°37'59" E for a distance of 186.24 feet to an angle point  
2 hereof,  
3 8. N 57°23'30" E for a distance of 88.53 feet to an angle point  
4 hereof,  
5 9. S 29°10'57" E for a distance of 72.30 feet to an angle point  
6 hereof,  
7 10. N 59°40'57" E for a distance of 20.00 feet to an angle point  
8 hereof,  
9 11. N 59°40'57" E for a distance of 489.21 feet to an angle point  
10 hereof, and  
11 12. N 30°19'01" W for a distance of 663.75 feet to a point being the  
12 northeasterly corner of said 10.00-acre tract for an angle point  
13 hereof;  
14       THENCE departing the boundary line of said 10.00-acre tract,  
15 through the interior of said 730.417-acre tract, N 30°19'01" W for a  
16 distance of 25.02 feet to a point in the southerly margin of  
17 Franklin Road, same being the northwesterly boundary line of said  
18 730.417-acre tract, the following three (3) courses and distances:  
19 1. N 59°40'59" E for a distance of 701.97 feet to an angle point  
20 hereof,  
21 2. N 60°40'09" E for a distance of 1305.59 feet to an angle point  
22 hereof, and  
23 3. N 60°36'34" E for a distance of 617.98 feet to a point to the  
24 POINT OF BEGINNING and containing 685.400 acres in the McClennan  
25 County, Texas and Bell County, Texas. Said tract being described in  
26 accordance with a survey prepared under Job No. 59012-22 by  
27 Pape-Dawson Engineers, Inc.



1 (c) If this Act does not receive a two-thirds vote of all the  
2 members elected to each house, Subchapter C, Chapter 7960, Special  
3 District Local Laws Code, as added by Section 1(a) of this Act, is  
4 amended by adding Section 7960.0307 to read as follows:

5 Sec. 7960.0307. NO EMINENT DOMAIN POWER. The district may  
6 not exercise the power of eminent domain.

7 (d) Section 1(c) of this Act is not intended to be an  
8 expression of a legislative interpretation of the requirements of  
9 Section 17(c), Article I, Texas Constitution.

10 SECTION 2. (a) Subtitle F, Title 6, Special District Local  
11 Laws Code, is amended by adding Chapter 7968A to read as follows:

12 CHAPTER 7968A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT

13 NO. 236

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 7968A.0101. DEFINITIONS. In this chapter:

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

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

19 (3) "Director" means a board member.

20 (4) "District" means the Montgomery County Municipal  
21 Utility District No. 236.

22 Sec. 7968A.0102. NATURE OF DISTRICT. The district is a  
23 municipal utility district created under Section 59, Article XVI,  
24 Texas Constitution.

25 Sec. 7968A.0103. CONFIRMATION AND DIRECTOR ELECTION  
26 REQUIRED. The temporary directors shall hold an election to  
27 confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 7968A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
3 temporary directors may not hold an election under Section  
4 7968A.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. 7968A.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. 7968A.0106. INITIAL DISTRICT TERRITORY. (a) The  
19 district is initially composed of the territory described by  
20 Section 2(b) of the Act enacting this chapter.

21 (b) The boundaries and field notes contained in Section 2(b)  
22 of the Act enacting this chapter form a closure. A mistake made in  
23 the field notes or in copying the field notes in the legislative  
24 process 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. 7968A.0201. GOVERNING BODY; TERMS. (a) The district  
6 is governed by a board of five elected directors.

7 (b) Except as provided by Section 7968A.0202, directors  
8 serve staggered four-year terms.

9 Sec. 7968A.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 7968A.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 7968A.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 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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 7968A.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. 7968A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
7 authorized at an election held under Section 7968A.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. 7968A.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. 7968A.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. 7968A.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. 7968A.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       (b) Montgomery County Municipal Utility District No. 236  
14 initially includes all the territory contained in the following  
15 area:

16       A 231.1123 ACRE TRACT OF LAND IN THE S. TERRY SURVEY, ABSTRACT  
17 NO. 564, MONTGOMERY COUNTY, TEXAS, BEING OUT OF AND A PART OF A  
18 CALLED 1,702.2 ACRE TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF  
19 1992 GUNIGANTI CREDIT SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY  
20 TRUSTS AS RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NUMBER  
21 (M.C.C.F. NO.) 2019097078 (DESCRIBED UNDER M.C.C.F. NO.  
22 2012127211), THE SAID 231.1123 ACRE TRACT BEING MORE PARTICULARLY  
23 DESCRIBED BY METES AND BOUNDS AS FOLLOWS, (WITH BEARINGS BASED ON  
24 THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY  
25 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 4,572.60 feet, to a 1/2" iron  
10 rod found marking the northeast corner of Lot 6, Block 3, White Oak  
11 Crossing Sec 4 (WOC4), map or plat thereof recorded under Cabinet  
12 (Cab.) Z, Sheet (Sht.) 3640 Montgomery County Map Records  
13 (M.C.M.R.), and an interior corner of said 1,702.2 acre tract, and  
14 the herein described tract;

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

22       THENCE, North 07°21'12" West, departing said common line,  
23 over and across said WOC3, A 19.14 acre tract conveyed to Prabhakar  
24 R. Guniganti as recorded under M.C.C.F. NO. 2016114018, and said  
25 1,702.2 acre tract, a distance of 4,946.84 feet, to the west line of  
26 said 1,702.2 acre tract marking the southwest corner, and POINT OF  
27 BEGINNING of the herein described tract;



1           THENCE, North 02°19'57" West, along the west line of said  
2 1,702.2 acre tract, passing at a distance of 7.13 feet the southerly  
3 Right-Of-Way (R.O.W.) line of State Highway 99 (A.K.A. Grand  
4 Parkway), as described in the agreed final judgement recorded under  
5 M.C.C.F. NO. 2022115684, passing at a distance of 407.22 feet, the  
6 northerly R.O.W. line of said State Highway 99, continuing a total  
7 distance of 2,694.43 feet, to the northwest corner of said 1,702.2  
8 acre tract and the herein described tract;

9           THENCE, North 86°56'15" East, along the northerly line of said  
10 1,702.2 acre tract, a distance of 2,313.87 feet, to an angle in the  
11 north line of said 1,702.2 acre tract and the herein described  
12 tract;

13           THENCE, North 88°18'37" East, along the northerly line of said  
14 1,702.2 acre tract, a distance of 84.62 feet, to the northeast  
15 corner of the herein described tract;

16           THENCE, over and across said 1,702.2 acre tract, the  
17 following twenty nine (29) courses and distances:

18           South 01°34'11" East, a distance of 523.07 feet, to an angle  
19 in the east line of the herein described tract;

20           South 88°20'05" East, a distance of 320.48 feet, to an angle  
21 in the east line of the herein described tract;

22           South 72°57'20" East, a distance of 524.04 feet, to an angle  
23 in the east line of the herein described tract;

24           South 55°07'09" East, a distance of 242.85 feet, to an angle  
25 in the east line of the herein described tract;

26           South 26°44'17" East, a distance of 274.37 feet, to an angle  
27 in the east line of the herein described tract;

1           South 34°39'23" East, a distance of 466.61 feet, to an angle  
2 in the east line of the herein described tract;  
3           South 29°43'18" East, a distance of 94.04 feet, to an angle in  
4 the east line of the herein described tract;  
5           South 03°45'41" West, a distance of 196.73 feet, to an angle  
6 in the east line of the herein described tract;  
7           South 27°52'41" East, a distance of 382.54 feet, to an angle  
8 in the east line of the herein described tract;  
9           South 29°14'09" East, a distance of 98.06 feet, to an angle in  
10 the east line of the herein described tract;  
11           South 18°42'01" West, a distance of 156.58 feet, to an angle  
12 in the east line of the herein described tract;  
13           South 45°05'06" West, a distance of 138.46 feet, to an angle  
14 in the east line of the herein described tract;  
15           South 72°00'22" West, a distance of 171.11 feet, to an angle  
16 in the east line of the herein described tract;  
17           South 64°09'37" West, a distance of 133.85 feet, to the  
18 beginning of a curve to the right;  
19           In a southwesterly direction, along said curve to the right,  
20 having a radius of 3,014.66 feet, a central angle of 01°26'03"  
21 (chord bears South 64°04'47" West, 75.45 feet) and an arc distance  
22 of 75.45 feet, to the beginning of a reverse curve to the left;  
23           In a southwesterly direction, along said reverse curve to the  
24 left, having a radius of 100.00 feet, a central angle of 13°17'38"  
25 (chord bears South 57°47'21" West, 23.15 feet) and an arc distance  
26 of 23.20 feet, to the beginning of a reverse curve to the right;  
27           In a southwesterly direction, along said reverse curve to the

1 right, having a radius of 500.00 feet, a central angle of 12°42'15"  
2 (chord bears South 57°29'40" West, 110.64 feet) and an arc distance  
3 of 110.86 feet, to the beginning of a reverse curve to the left;  
4 In a southwesterly direction, along said reverse curve to the  
5 left, having a radius of 100.00 feet, a central angle of 07°23'59"  
6 (chord bears South 60°08'48" West, 12.91 feet) and an arc distance  
7 of 12.92 feet, to the beginning of a reverse curve to the right;  
8 In a southwesterly direction, along said reverse curve to the  
9 right, having a radius of 100.00 feet, a central angle of 23°30'02"  
10 (chord bears South 68°11'50" West, 40.73 feet) and an arc distance  
11 of 41.02 feet, to the point of tangency;  
12 South 79°56'51" West, a distance of 52.57 feet, to the  
13 beginning of a curve to the right;  
14 In a westerly direction, along said curve to the right,  
15 having a radius of 100.00 feet, a central angle of 24°12'11" (chord  
16 bears North 87°57'04" West, 41.93 feet) and an arc distance of 42.24  
17 feet, to the point of compound curvature;  
18 In a northwesterly direction, along said compound curve to  
19 the right, having a radius of 500.00 feet, a central angle of  
20 01°07'37" (chord bears North 75°17'10" West, 9.83 feet) and an arc  
21 distance of 9.83 feet, to the point of reverse curvature;  
22 In a southwesterly direction, along said reverse curve to the  
23 left, having a radius of 100.00 feet, a central angle of 59°15'48"  
24 (chord bears South 75°38'44" West, 98.88 feet) and an arc distance  
25 of 103.43 feet, to the point of tangency;  
26 South 46°00'50" West, a distance of 240.66 feet, to an angle  
27 in the southerly line of the herein described tract;

1 North 47°45'22" West, a distance of 351.90 feet, to the  
2 beginning of a curve to the right;

3 In a northwesterly direction, along said curve to the right,  
4 having a radius of 1,250.00 feet, a central angle of 01°33'58"  
5 (chord bears North 46°58'23" West, 34.17 feet) and an arc distance  
6 of 34.17 feet, to the point of tangency;

7 South 53°50'57" West, a distance of 302.10 feet, to the  
8 beginning of a curve to the left;

9 In a southwesterly direction, along said curve to the left,  
10 having a radius of 2,000.00 feet, a central angle of 17°35'11"  
11 (chord bears South 45°03'21" West, 611.48 feet) and an arc distance  
12 of 613.89 feet, to the point of tangency;

13 South 36°15'45" West, a distance of 406.05 feet, to an angle  
14 in the southerly line of the herein described tract;

15 THENCE, North 68°09'29" West, a distance of 1,868.05 feet, to  
16 the POINT OF BEGINNING, and containing 231.1123 acres of land.

17 (c) If this Act does not receive a two-thirds vote of all the  
18 members elected to each house, Subchapter C, Chapter 7968A, Special  
19 District Local Laws Code, as added by Section 2(a) of this Act, is  
20 amended by adding Section 7968A.0306 to read as follows:

21 Sec. 7968A.0306. NO EMINENT DOMAIN POWER. The district may  
22 not exercise the power of eminent domain.

23 (d) Section 2(c) of this Act is not intended to be an  
24 expression of a legislative interpretation of the requirements of  
25 Section 17(c), Article I, Texas Constitution.

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. 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, 2023.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 25, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5344** by Bell, Cecil (Relating to the creation of the Deer Creek Ranch Municipal Utility District No. 1 and the Montgomery County Municipal Utility District No. 236; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Passed 2nd House**

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

It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

The fiscal implications of the bill to the districts cannot be determined due to the circumstances relating to the districts' exercise of eminent domain power, issuance of bonds, or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, SD, AF, CMA, NTh

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 12, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5344** by Bell, Cecil (relating to the creation of the Deer Creek Ranch Municipal Utility District No. 1 and the Montgomery County Municipal Utility District No. 236; 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**

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

It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

The fiscal implications of the bill to the districts cannot be determined due to the circumstances relating to the districts' exercise of eminent domain power, issuance of bonds, or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AF, CMA, NTh

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 11, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **HB5344** by Bell, Cecil (Relating to the creation of the Montgomery County Municipal Utility District No. 236; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's exercise of eminent domain power, issuance of bonds, or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AF, CMA, NTh



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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 25, 2023**

**TO:** Honorable DeWayne Burns, Chair, House Committee on Land & Resource Management

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5344** by Bell, Cecil (Relating to the creation of the Montgomery County Municipal Utility District No. 236; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's exercise of eminent domain power, issuance of bonds, or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AF, CMA, NTh

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**WATER DEVELOPMENT POLICY IMPACT STATEMENT**

**88TH LEGISLATIVE REGULAR SESSION**

**April 25, 2023**

**TO:** Honorable DeWayne Burns, Chair, House Committee on Land & Resource Management

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5344** by Bell, Cecil (Relating to the creation of the Montgomery County Municipal Utility District No. 236; 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. 236 (the "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.

The 2020 population estimate for areas of Montgomery County served by small water systems or private wells ('County-Other') was 146,209. 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, Montgomery County Clerk's File, Montgomery County Map Records, and metes and bounds. Due to the complexity of these boundaries for the various subareas of the district, staff is only able to determine the general location of the proposed district.

The proposed district's area is approximately 0.36 square miles in southeast Montgomery County, located southeast of the Community of New Caney, and northeast of the Community of Porter.

**Comments on Powers/Duties 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 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 if the bill does not receive a two-thirds vote of all the members elected to each house.

**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, 89% of the total water use was supplied by groundwater (Gulf Coast Aquifer), and municipal was the largest volume water use category comprising 89% of the county total water use in 2020. The water source the proposed district might pursue is unknown.

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