

By: Metcalf

H.B. No. 5686

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Montgomery County Management District No. 3; 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 C, Title 4, Special District Local Laws Code, is amended by adding Chapter 4017 to read as follows:

CHAPTER 4017. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4017.0101. DEFINITIONS. In this chapter:

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

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

(3) "County" means Montgomery County.

(4) "Director" means a board member.

(5) "District" means the Montgomery County Management District No. 3.

Sec. 4017.0102. NATURE OF DISTRICT. The Montgomery County Management District No. 3 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 4017.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this

1 chapter.

2 (b) By creating the district and in authorizing the county,  
3 the City of Conroe, the City of Willis, and other political  
4 subdivisions to contract with the district, the legislature has  
5 established a program to accomplish the public purposes set out in  
6 Section 52-a, Article III, Texas Constitution.

7 (c) The creation of the district is necessary to promote,  
8 develop, encourage, and maintain employment, commerce,  
9 transportation, housing, tourism, recreation, the arts,  
10 entertainment, economic development, safety, and the public  
11 welfare in the district.

12 (d) This chapter and the creation of the district may not be  
13 interpreted to relieve the county, the City of Conroe, or the City  
14 of Willis from providing the level of services provided as of the  
15 effective date of the Act enacting this chapter to the area in the  
16 district. The district is created to supplement and not to supplant  
17 county or city services provided in the district.

18 Sec. 4017.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

19 (a) All land and other property included in the district will  
20 benefit from the improvements and services to be provided by the  
21 district under powers conferred by Sections 52 and 52-a, Article  
22 III, and Section 59, Article XVI, Texas Constitution, and other  
23 powers granted under this chapter.

24 (b) The district is created to serve a public use and  
25 benefit.

26 (c) The creation of the district is in the public interest  
27 and is essential to further the public purposes of:

1           (1) developing and diversifying the economy of the  
2 state;

3           (2) eliminating unemployment and underemployment; and

4           (3) developing or expanding transportation and  
5 commerce.

6           (d) The district will:

7           (1) promote the health, safety, and general welfare of  
8 residents, employers, potential employees, employees, visitors,  
9 and consumers in the district, and of the public;

10           (2) provide needed funding for the district to  
11 preserve, maintain, and enhance the economic health and vitality of  
12 the district territory as a community and business center;

13           (3) promote the health, safety, welfare, and enjoyment  
14 of the public by providing pedestrian ways and by landscaping and  
15 developing certain areas in the district, which are necessary for  
16 the restoration, preservation, and enhancement of scenic beauty;  
17 and

18           (4) provide for water, wastewater, drainage, road, and  
19 recreational facilities for the district.

20           (e) Pedestrian ways along or across a street, whether at  
21 grade or above or below the surface, and street lighting, street  
22 landscaping, parking, and street art objects are parts of and  
23 necessary components of a street and are considered to be a street  
24 or road improvement.

25           (f) The district will not act as the agent or  
26 instrumentality of any private interest even though the district  
27 will benefit many private interests as well as the public.

1       Sec. 4017.0105. INITIAL DISTRICT TERRITORY. (a) The  
2 district is initially composed of the territory described by  
3 Section 2 of the Act enacting this chapter.

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

8               (1) organization, existence, or validity;

9               (2) right to issue any type of bonds for the purposes  
10 for which the district is created or to pay the principal of and  
11 interest on the bonds;

12               (3) right to impose or collect an assessment or tax; or

13               (4) legality or operation.

14       Sec. 4017.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
15 All or any part of the area of the district is eligible to be  
16 included in:

17               (1) a tax increment reinvestment zone created under  
18 Chapter 311, Tax Code; or

19               (2) a tax abatement reinvestment zone created under  
20 Chapter 312, Tax Code.

21       Sec. 4017.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
22 DISTRICTS LAW. Except as otherwise provided by this chapter,  
23 Chapter 375, Local Government Code, applies to the district.

24       Sec. 4017.0108. CONSTRUCTION OF CHAPTER. This chapter  
25 shall be liberally construed in conformity with the findings and  
26 purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4017.0201. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 4017.0202. APPOINTMENT OF DIRECTORS. The commission shall appoint directors from persons recommended by the board.

Sec. 4017.0203. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Michele Burke</u>
<u>2</u>	<u>Andrew Williams</u>
<u>3</u>	<u>Benjamin Mellado</u>
<u>4</u>	<u>Mehmet Okumus</u>
<u>5</u>	<u>Joey Sergio Soto</u>

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2027, and the terms of directors appointed for positions four and five expire June 1, 2029.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 4017.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 4017.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or

service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may contract with a governmental or private entity to carry out an action under Subsection (a).

(c) The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 4017.0303. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 4017.0304. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, the City of Conroe, or the City of Willis, to provide law enforcement services in the district for a fee.

Sec. 4017.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 4017.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The

district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Sec. 4017.0307. PARKING FACILITIES. (a) The district may

acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of

1 years.

2 (c) The district's parking facilities are parts of and  
3 necessary components of a street and are considered to be a street  
4 or road improvement.

5 (d) The development and operation of the district's parking  
6 facilities may be considered an economic development program.

7 Sec. 4017.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
8 board by resolution shall establish the number of directors'  
9 signatures and the procedure required for a disbursement or  
10 transfer of district money.

11 Sec. 4017.0309. ADDING OR EXCLUDING LAND. The district may  
12 add or exclude land in the manner provided by Subchapter J, Chapter  
13 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

14 Sec. 4017.0310. NO EMINENT DOMAIN POWER. The district may  
15 not exercise the power of eminent domain.

16 SUBCHAPTER D. ASSESSMENTS

17 Sec. 4017.0401. PETITION REQUIRED FOR FINANCING SERVICES  
18 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
19 service or improvement project with assessments under this chapter  
20 unless a written petition requesting that service or improvement  
21 has been filed with the board.

22 (b) A petition filed under Subsection (a) must be signed by  
23 the owners of a majority of the assessed value of real property in  
24 the district subject to assessment according to the most recent  
25 certified tax appraisal roll for the county.

26 Sec. 4017.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
27 The board by resolution may impose and collect an assessment for any



purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

#### SUBCHAPTER E. TAXES AND BONDS

Sec. 4017.0501. TAX ELECTION REQUIRED. (a) The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to

1 obtain voter approval before the district may impose an ad valorem  
2 tax.

3 (b) Section 375.243, Local Government Code, does not apply  
4 to the district.

5 Sec. 4017.0502. OPERATION AND MAINTENANCE TAX. (a) If  
6 authorized by a majority of the district voters voting at an  
7 election under Section 4017.0501, the district may impose an  
8 operation and maintenance tax on taxable property in the district  
9 in the manner provided by Section 49.107, Water Code, for any  
10 district purpose, including to:

11 (1) maintain and operate the district;

12 (2) construct or acquire improvements; or

13 (3) provide a service.

14 (b) The board shall determine the operation and maintenance  
15 tax rate. The rate may not exceed the rate approved at the  
16 election.

17 Sec. 4017.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
18 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
19 terms determined by the board.

20 (b) The district may issue bonds, notes, or other  
21 obligations payable wholly or partly from ad valorem taxes,  
22 assessments, impact fees, revenue, contract payments, grants, or  
23 other district money, or any combination of those sources of money,  
24 to pay for any authorized district purpose.

25 (c) The limitation on the outstanding principal amount of  
26 bonds, notes, or other obligations provided by Section 49.4645,  
27 Water Code, does not apply to the district.

1       Sec. 4017.0504. BONDS SECURED BY REVENUE OR CONTRACT  
2 PAYMENTS. The district may issue, without an election, bonds  
3 secured by:

4           (1) revenue other than ad valorem taxes, including  
5 contract revenues; or

6           (2) contract payments, provided that the requirements  
7 of Section 49.108, Water Code, have been met.

8       Sec. 4017.0505. BONDS SECURED BY AD VALOREM TAXES;  
9 ELECTIONS. (a) If authorized at an election under Section  
10 4017.0501, the district may issue bonds payable from ad valorem  
11 taxes.

12           (b) At the time the district issues bonds payable wholly or  
13 partly from ad valorem taxes, the board shall provide for the annual  
14 imposition of a continuing direct annual ad valorem tax, without  
15 limit as to rate or amount, for each year that all or part of the  
16 bonds are outstanding as required and in the manner provided by  
17 Sections 54.601 and 54.602, Water Code.

18           (c) All or any part of any facilities or improvements that  
19 may be acquired by a district by the issuance of its bonds may be  
20 submitted as a single proposition or as several propositions to be  
21 voted on at the election.

22       Sec. 4017.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
23 board may not issue bonds until each municipality in whose  
24 corporate limits or extraterritorial jurisdiction the district is  
25 located has consented by ordinance or resolution to the creation of  
26 the district and to the inclusion of land in the district as  
27 required by applicable law.

1       (b) This section applies only to the district's first  
2 issuance of bonds payable from ad valorem taxes.

3                   SUBCHAPTER F. SALES AND USE TAX

4       Sec. 4017.0601. APPLICABILITY OF CERTAIN TAX CODE  
5 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
6 computation, administration, enforcement, and collection of the  
7 sales and use tax authorized by this subchapter except to the extent  
8 Chapter 321, Tax Code, is inconsistent with this chapter.

9       (b) For the purposes of this subchapter, a reference in  
10 Chapter 321, Tax Code, to a municipality or the governing body of a  
11 municipality is a reference to the district or the board,  
12 respectively.

13       Sec. 4017.0602. ELECTION; ADOPTION OF TAX. (a) The  
14 district may adopt a sales and use tax if authorized by a majority  
15 of the voters of the district voting at an election held for that  
16 purpose.

17       (b) The board by order may call an election to authorize the  
18 adoption of the sales and use tax. The election may be held on any  
19 uniform election date and in conjunction with any other district  
20 election.

21       (c) The district shall provide notice of the election and  
22 shall hold the election in the manner prescribed by Section  
23 4017.0501.

24       (d) The ballot shall be printed to provide for voting for or  
25 against the proposition: "Authorization of a sales and use tax in  
26 the Montgomery County Management District No. 3 at a rate not to  
27 exceed \_\_\_\_ percent" (insert rate of one or more increments of

1 one-eighth of one percent).

2 Sec. 4017.0603. SALES AND USE TAX RATE. (a) After the date  
3 the results are declared of an election held under Section  
4 4017.0602 at which the voters authorized imposition of a tax, the  
5 board shall provide by resolution or order the initial rate of the  
6 tax, which must be in one or more increments of one-eighth of one  
7 percent.

8 (b) After the authorization of a tax under Section  
9 4017.0602, the board may increase or decrease the rate of the tax by  
10 one or more increments of one-eighth of one percent.

11 (c) The board may not decrease the rate of the tax if the  
12 decrease would impair the repayment of any outstanding debt or  
13 obligation payable from the tax.

14 (d) The initial rate of the tax or any rate resulting from  
15 subsequent increases or decreases may not exceed the lesser of:

16 (1) the maximum rate authorized at the election held  
17 under Section 4017.0602; or

18 (2) a rate that, when added to the rates of all sales  
19 and use taxes imposed by other political subdivisions with  
20 territory in the district, would result in the maximum combined  
21 rate prescribed by Section 321.101(f), Tax Code, at any location in  
22 the district.

23 (e) In determining whether the combined sales and use tax  
24 rate under Subsection (d)(2) would exceed the maximum combined rate  
25 prescribed by Section 321.101(f), Tax Code, at any location in the  
26 district, the board shall include:

27 (1) any sales and use tax imposed by a political

1 subdivision whose territory overlaps all or part of the district;

2 (2) any sales and use tax to be imposed by the city or  
3 the county as a result of an election held on the same date as the  
4 election held under Section 4017.0602; and

5 (3) any increase to an existing sales and use tax  
6 imposed by the city or the county as a result of an election held on  
7 the same date as the election held under Section 4017.0602.

8 (f) If the district adopts a sales and use tax authorized at  
9 an election held under Section 4017.0602 and subsequently includes  
10 new territory in the district, the district:

11 (1) is not required to hold another election to  
12 approve the imposition of the sales and use tax in the included  
13 territory; and

14 (2) shall impose the sales and use tax in the included  
15 territory as provided by Chapter 321, Tax Code.

16 (g) If the district adopts a sales and use tax authorized at  
17 an election held under Section 4017.0602 and subsequently excludes  
18 territory from the district, the sales and use tax is inapplicable  
19 to the excluded territory, as provided by Chapter 321, Tax Code, but  
20 is applicable to the territory remaining in the district.

21 Sec. 4017.0604. NOTIFICATION OF RATE CHANGE. The board  
22 shall notify the comptroller of any changes made to the tax rate  
23 under this subchapter in the same manner the municipal secretary  
24 provides notice to the comptroller under Section 321.405(b), Tax  
25 Code.

26 Sec. 4017.0605. USE OF REVENUE. Revenue from the sales and  
27 use tax imposed under this subchapter is for the use and benefit of

1 the district and may be used for any district purpose. The district  
2 may pledge all or part of the revenue to the payment of bonds,  
3 notes, or other obligations, and that pledge of revenue may be in  
4 combination with other revenue, including tax revenue, available to  
5 the district.

6 Sec. 4017.0606. ABOLITION OF TAX. (a) Except as provided  
7 by Subsection (b), the board may abolish the tax imposed under this  
8 subchapter without an election.

9 (b) The board may not abolish the tax imposed under this  
10 subchapter if the district has any outstanding debt or obligation  
11 secured by the tax, and repayment of the debt or obligation would be  
12 impaired by the abolition of the tax.

13 (c) If the board abolishes the tax, the board shall notify  
14 the comptroller of that action in the same manner the municipal  
15 secretary provides notice to the comptroller under Section  
16 [321.405](#)(b), Tax Code.

17 (d) If the board abolishes the tax or decreases the tax rate  
18 to zero, a new election to authorize a sales and use tax must be held  
19 under Section 4017.0602 before the district may subsequently impose  
20 the tax.

21 SUBCHAPTER G. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

22 Sec. 4017.0701. DIVISION OF DISTRICT; PREREQUISITES. (a)  
23 The district may be divided into two or more new districts only if  
24 the district:

25 (1) has never issued any bonds; and

26 (2) is not imposing ad valorem taxes.

27 (b) The board may adopt an order dividing the district under

1 Section 4017.0704(a) before or after the date of an election held  
2 under Section 4017.0705 to confirm the creation of the district.

3 Sec. 4017.0702. LAW APPLICABLE TO NEW DISTRICT. This  
4 chapter applies to any new district created by division of the  
5 district, and a new district has all the powers and duties of the  
6 district.

7 Sec. 4017.0703. LIMITATION ON AREA OF NEW DISTRICT. A new  
8 district created by the division of the district may not, at the  
9 time the new district is created, contain any land outside the area  
10 described by Section 2 of the Act enacting this chapter.

11 Sec. 4017.0704. DIVISION PROCEDURES. (a) The board, on its  
12 own motion or on receipt of a petition signed by the owner or owners  
13 of a majority of the assessed value of the real property in the  
14 district, may adopt an order dividing the district.

15 (b) An order dividing the district must:

16 (1) name each new district;

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

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

20 and

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

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

27 (d) Municipal consent issued under Section 4017.0506 acts



1 as municipal consent to the creation of any new district created by  
2 division of the district and to the inclusion of land in the new  
3 district.

4 Sec. 4017.0705. CONFIRMATION ELECTION FOR NEW DISTRICT.

5 (a) A new district created by the division of the district shall  
6 hold a confirmation election in the manner provided by Section  
7 49.102, Water Code.

8 (b) If the creation of the new district is confirmed, the  
9 new district shall provide the election date and results to the  
10 commission.

11 Sec. 4017.0706. TAX OR BOND ELECTION. Before a new district  
12 created by the division of the district may impose a tax for which  
13 an election is required under this chapter for the original  
14 district or issue bonds payable wholly or partly from ad valorem  
15 taxes, the new district must hold an election as required by this  
16 chapter to obtain voter approval.

17 SUBCHAPTER H. DEFINED AREAS

18 Sec. 4017.0801. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
19 DESIGNATED PROPERTY. The district may define areas or designate  
20 certain property of the district to pay for improvements,  
21 facilities, or services that primarily benefit that area or  
22 property and do not generally and directly benefit the district as a  
23 whole.

24 Sec. 4017.0802. PROCEDURE FOR ELECTION. (a) Before the  
25 district may impose an ad valorem tax applicable only to the defined  
26 area or designated property or issue bonds payable from ad valorem  
27 taxes of the defined area or designated property, the board shall

1 hold an election in the defined area or designated property only.

2 (b) The board may submit the proposition to the voters on  
3 the same ballot to be used in another election.

4 Sec. 4017.0803. DECLARING RESULT AND ISSUING ORDER. (a) If  
5 a majority of the voters voting at an election held under Section  
6 4017.0802 approve the proposition or propositions, the board shall  
7 declare the results and, by order, shall establish the defined area  
8 or designated property and describe it by metes and bounds or  
9 designate the specific area or property.

10 (b) A court may not review the board's order except on the  
11 ground of fraud, palpable error, or arbitrary and confiscatory  
12 abuse of discretion.

13 Sec. 4017.0804. TAXES FOR SERVICES, IMPROVEMENTS, AND  
14 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter  
15 approval and adoption of an order described by Section 4017.0803,  
16 the district may apply separately, differently, equitably, and  
17 specifically its taxing power and lien authority to the defined  
18 area or designated property to provide money to construct,  
19 administer, maintain, and operate services, improvements, and  
20 facilities that primarily benefit the defined area or designated  
21 property.

22 Sec. 4017.0805. ISSUANCE OF BONDS FOR DEFINED AREA OR  
23 DESIGNATED PROPERTY. After an order under Section 4017.0803 is  
24 adopted, the district may issue bonds to provide for any land,  
25 improvements, facilities, plants, equipment, and appliances for  
26 the defined area or designated property.

SUBCHAPTER I. DISSOLUTION

Sec. 4017.0901. DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) at least two-thirds of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) at least two-thirds of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or

(3) owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.

(d) Sections [375.261](#), [375.262](#), and [375.264](#), Local

1 Government Code, do not apply to the district.

2 SECTION 2. The Montgomery County Management District No. 3  
3 initially includes all territory contained in the following area:

4 BEING a 144.058 acre tract of land situated in the Calvin  
5 Lynch Survey, Abstract Number 314, Montgomery County, Texas, being  
6 the northerly remainder of that certain called 478.483 acre tract  
7 described in instrument to Joyce C. Naumann, recorded in Volume  
8 756, Page 150, of the Deed Records of Montgomery County, Texas  
9 (D.R.M.C.T.), said 144.058 acre tract being more particularly  
10 described by metes and bounds as follows:

11 BEGINNING at a 5/8 inch iron rod with 3 inch disk found in the  
12 northerly right-of-way of Seven Coves Road, in the apparent common  
13 line between said Lynch Survey and the F.K. Henderson Survey,  
14 Abstract Number 248, for the common corner of said northerly  
15 remainder of 478.483 acre tract, that certain called 11.892 acre  
16 tract described instrument to Montgomery County, recorded under  
17 Clerk's File Number 2007108360, of the Official Public Records of  
18 Montgomery County, Texas (O.P.R.M.C.T.), that certain called  
19 19.170 acre tract described instrument to Montgomery County,  
20 recorded under Clerk's File Number 2008076322 and the northerly  
21 remainder of that certain called 252.848 acre tract described in  
22 instrument to Rmdmg, Ltd., recorded under Clerk's File Number  
23 2022087003, O.P.R.M.C.T., being the southwesterly corner of the  
24 herein described 144.058 acre tract, said POINT OF BEGINNING having  
25 a Texas State Plane Coordinate value of N: 10,141,868.64, E:  
26 3,835,421.95, Central Zone, grid measurements;

27 THENCE North 18°51'35" West, 1242.26 feet, with the apparent

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1 common line between said Calvin Survey and said Henderson Survey,  
2 the common line between said northerly remainder of 478.483 acre  
3 tract and said northerly remainder of 252.848 acre tract, to a 3/4  
4 inch pinched top iron pipe found for the common easterly corner of  
5 said northerly remainder of 252.848 acre tract, and that certain  
6 called 160.466 acre tract described in instrument to M.C. & G.E.I.,  
7 LLC., recorded under Clerk's File Number 2003047826, O.P.R.M.C.T.,  
8 being an angle point in the westerly line of the herein described  
9 144.058 acre tract;

10       THENCE North 18°46'29" West, 2693.58 feet, with the common  
11 line between said northerly remainder of 478.483 acre tract and  
12 said 160.466 acre tract, to a 1 inch iron pipe found for the common  
13 corner of said northerly remainder of 478.483 acre tract, said  
14 160.466 acre tract, and Lot 33, Block 1, of Oak Woods II, as shown on  
15 the map or plat thereof, recorded in Cabinet E, Sheet 46B, of the  
16 Map Records of Montgomery County, Texas (M.R.M.C.T.), being an  
17 angle point in the westerly line of the herein described 144.058  
18 acre tract;

19       THENCE North 17°36'27" West, 211.37 feet, with the easterly  
20 line of said Lot 33, and Lots 34 and 35, of said Block 1, common to  
21 the westerly line of said remainder of 478.483 acre tract, to a 1/2  
22 inch iron pipe found for the apparent common westerly corner of said  
23 Lynch Survey and the George Lonis Survey, Abstract Number 313, the  
24 common corner of said northerly remainder of said 478.483 acre  
25 tract, said Lot 35, and the Park & Drill Site, of Serenity Woods,  
26 Section 1, as shown on the map or plat thereof, recorded in Cabinet  
27 F, Sheet 86B, M.R.M.C.T., being the northwesterly corner of the

1 herein described 144.058 acre tract;

2       THENCE North 86°23'35" East, 393.26 feet, with the apparent  
3 common line between said Lynch Survey and said Lonis Survey, the  
4 common line between said remainder of 478.483 acre tract and said  
5 Park & Drill Site, to a 5/8 inch iron rod found for the apparent  
6 common northerly corner of said Lynch Survey and the Nat Hart Davis  
7 Survey, Abstract Number 185, the common northerly corner of said  
8 northerly remainder of 478.483 acre tract and that certain called  
9 79.50 acre tract described in instrument to Poarch / Swinbank LLC.,  
10 recorded under Clerk's File Number 2014107141, O.P.R.M.C.T., being  
11 the northeasterly corner of the herein described 144.058 acre  
12 tract;

13       THENCE South 47°56'40" East, 4115.87 feet, with the apparent  
14 common line between said Lynch Survey and said Davis Survey, the  
15 southwesterly line of said 79.50 acre tract, that certain called  
16 46.92 acre tract described in instrument to Poarch Swinbank, LLC.,  
17 recorded under Clerk's File Number 2014084681, O.P.R.M.C.T., and  
18 that certain called 11.526 acre tract described in instrument to  
19 David Nunez, recorded under Clerk's File Number 2000064636,  
20 O.P.R.M.C.T., common to the northeasterly line of said northerly  
21 remainder of 478.483 acre tract, to a 5/8 inch iron rod (bent) found  
22 for an angle point in the common line between said northerly  
23 remainder of 478.483 acre tract and said 11.526 acre tract, being an  
24 angle point in the northeasterly line of the herein described  
25 144.058 acre tract;

26       THENCE South 47°56'09" East, 549.38 feet, continuing, with  
27 the apparent common line between said Lynch Survey and said Davis

1 Survey, the southwesterly line of said 11.526 acre tract and the  
2 remainder of that certain called 160 acre tract described in  
3 instrument to M.E. Paddock, recorded in Volume 186, Page 409,  
4 D.R.M.C.T., common to the northeasterly line of said remainder of  
5 478.483 acre tract, to a 1/2 inch iron rod with cap stamped "TPS  
6 100834-00" set in an arc of a non-tangent curve to the right in the  
7 northerly right-of-way of said Seven Coves Road, for the common  
8 corner of said northerly remainder of 478.483 acre tract and said  
9 remainder of 160 acre tract, that certain called 1.896 acre tract  
10 described in instrument to Montgomery County, recorded under  
11 Clerk's File Number 2007112041, O.P.R.M.C.T., and said 11.892 acre  
12 tract, being the southeasterly corner of the herein described  
13 144.058 acre tract;

14       THENCE with the northerly right-of-way of said Seven Coves  
15 Road, the common line between said northerly remainder of 478.483  
16 acre tract and said 11.892 acre tract, the following two (2) courses  
17 and distances:

18             1. Southwesterly, with the arc of said non-tangent  
19 curve to the right, having a radius of 2905.00 feet, a central angle  
20 of 13°48'39", and a chord that bears South 66°14'21" West, 698.55  
21 feet, at an arc distance of 478.02 feet, pass a 5/8 inch iron rod  
22 with Tx D.O.T. disk found for reference, in all, a total arc  
23 distance of 700.24 feet, to a 5/8 inch iron rod with Tx D.O.T. disk  
24 found for the end of said curve to the right;

25             2. South 73°51'25" West, 1961.96 feet, to the POINT OF  
26 BEGINNING and containing a computed area of 144.058 acres of land  
27 within this Field Note Description.

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

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

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

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

19          SECTION 4. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2025.