

1-1 By: Metcalf (Senate Sponsor - Creighton) H.B. No. 5686
1-2 (In the Senate - Received from the House May 15, 2025;
1-3 May 16, 2025, read first time and referred to Committee on Local
1-4 Government; May 20, 2025, reported favorably by the following
1-5 vote: Yeas 5, Nays 0, 1 present not voting; May 20, 2025, sent to
1-6 printer.)

1-7 COMMITTEE VOTE

1-8	Yea	Nay	Absent	PNV
1-9 Bettencourt	X			
1-10 Middleton				X
1-11 Cook	X			
1-12 Gutierrez			X	
1-13 Nichols	X			
1-14 Paxton	X			
1-15 West	X			

1-16 A BILL TO BE ENTITLED
1-17 AN ACT

1-18 relating to the creation of the Montgomery County Management
1-19 District No. 3; providing authority to issue bonds; providing
1-20 authority to impose assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-23 Code, is amended by adding Chapter 4017 to read as follows:

1-24 CHAPTER 4017. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 3

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 4017.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "Commission" means the Texas Commission on
1-29 Environmental Quality.

1-30 (3) "County" means Montgomery County.

1-31 (4) "Director" means a board member.

1-32 (5) "District" means the Montgomery County Management
1-33 District No. 3.

1-34 Sec. 4017.0102. NATURE OF DISTRICT. The Montgomery County
1-35 Management District No. 3 is a special district created under
1-36 Section 59, Article XVI, Texas Constitution.

1-37 Sec. 4017.0103. PURPOSE; DECLARATION OF INTENT. (a) The
1-38 creation of the district is essential to accomplish the purposes of
1-39 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-40 Texas Constitution, and other public purposes stated in this
1-41 chapter.

1-42 (b) By creating the district and in authorizing the county,
1-43 the City of Conroe, the City of Willis, and other political
1-44 subdivisions to contract with the district, the legislature has
1-45 established a program to accomplish the public purposes set out in
1-46 Section 52-a, Article III, Texas Constitution.

1-47 (c) The creation of the district is necessary to promote,
1-48 develop, encourage, and maintain employment, commerce,
1-49 transportation, housing, tourism, recreation, the arts,
1-50 entertainment, economic development, safety, and the public
1-51 welfare in the district.

1-52 (d) This chapter and the creation of the district may not be
1-53 interpreted to relieve the county, the City of Conroe, or the City
1-54 of Willis from providing the level of services provided as of the
1-55 effective date of the Act enacting this chapter to the area in the
1-56 district. The district is created to supplement and not to supplant
1-57 county or city services provided in the district.

1-58 Sec. 4017.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-59 (a) All land and other property included in the district will
1-60 benefit from the improvements and services to be provided by the
1-61 district under powers conferred by Sections 52 and 52-a, Article

III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

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

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

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

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

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

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

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

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

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

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

Sec. 4017.0105. 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 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 bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

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

(4) legality or operation.

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

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

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

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

Sec. 4017.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and 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:

Pos. No.	Name of Director
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Michele Burke
Andrew Williams
Benjamin Mellado
Mehmet Okumus
Joey Sergio Soto

(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 years.

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

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

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

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

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

SUBCHAPTER D. ASSESSMENTS

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

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

Sec. 4017.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) 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 obtain voter approval before the district may impose an ad valorem tax.

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

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

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

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

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

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

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

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

(2) contract payments, provided that the requirements of Section [49.108](#), Water Code, have been met.

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

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

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

Sec. 4017.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The board may not issue bonds 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.

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

SUBCHAPTER F. SALES AND USE TAX

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

(b) For the purposes of this subchapter, a reference in Chapter [321](#), Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

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

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

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

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

6-1 Sec. 4017.0603. SALES AND USE TAX RATE. (a) After the date
 6-2 the results are declared of an election held under Section
 6-3 4017.0602 at which the voters authorized imposition of a tax, the
 6-4 board shall provide by resolution or order the initial rate of the
 6-5 tax, which must be in one or more increments of one-eighth of one
 6-6 percent.

6-7 (b) After the authorization of a tax under Section
 6-8 4017.0602, the board may increase or decrease the rate of the tax by
 6-9 one or more increments of one-eighth of one percent.

6-10 (c) The board may not decrease the rate of the tax if the
 6-11 decrease would impair the repayment of any outstanding debt or
 6-12 obligation payable from the tax.

6-13 (d) The initial rate of the tax or any rate resulting from
 6-14 subsequent increases or decreases may not exceed the lesser of:

6-15 (1) the maximum rate authorized at the election held
 6-16 under Section 4017.0602; or

6-17 (2) a rate that, when added to the rates of all sales
 6-18 and use taxes imposed by other political subdivisions with
 6-19 territory in the district, would result in the maximum combined
 6-20 rate prescribed by Section 321.101(f), Tax Code, at any location in
 6-21 the district.

6-22 (e) In determining whether the combined sales and use tax
 6-23 rate under Subsection (d)(2) would exceed the maximum combined rate
 6-24 prescribed by Section 321.101(f), Tax Code, at any location in the
 6-25 district, the board shall include:

6-26 (1) any sales and use tax imposed by a political
 6-27 subdivision whose territory overlaps all or part of the district;

6-28 (2) any sales and use tax to be imposed by the city or
 6-29 the county as a result of an election held on the same date as the
 6-30 election held under Section 4017.0602; and

6-31 (3) any increase to an existing sales and use tax
 6-32 imposed by the city or the county as a result of an election held on
 6-33 the same date as the election held under Section 4017.0602.

6-34 (f) If the district adopts a sales and use tax authorized at
 6-35 an election held under Section 4017.0602 and subsequently includes
 6-36 new territory in the district, the district:

6-37 (1) is not required to hold another election to
 6-38 approve the imposition of the sales and use tax in the included
 6-39 territory; and

6-40 (2) shall impose the sales and use tax in the included
 6-41 territory as provided by Chapter 321, Tax Code.

6-42 (g) If the district adopts a sales and use tax authorized at
 6-43 an election held under Section 4017.0602 and subsequently excludes
 6-44 territory from the district, the sales and use tax is inapplicable
 6-45 to the excluded territory, as provided by Chapter 321, Tax Code, but
 6-46 is applicable to the territory remaining in the district.

6-47 Sec. 4017.0604. NOTIFICATION OF RATE CHANGE. The board
 6-48 shall notify the comptroller of any changes made to the tax rate
 6-49 under this subchapter in the same manner the municipal secretary
 6-50 provides notice to the comptroller under Section 321.405(b), Tax
 6-51 Code.

6-52 Sec. 4017.0605. USE OF REVENUE. Revenue from the sales and
 6-53 use tax imposed under this subchapter is for the use and benefit of
 6-54 the district and may be used for any district purpose. The district
 6-55 may pledge all or part of the revenue to the payment of bonds,
 6-56 notes, or other obligations, and that pledge of revenue may be in
 6-57 combination with other revenue, including tax revenue, available to
 6-58 the district.

6-59 Sec. 4017.0606. ABOLITION OF TAX. (a) Except as provided
 6-60 by Subsection (b), the board may abolish the tax imposed under this
 6-61 subchapter without an election.

6-62 (b) The board may not abolish the tax imposed under this
 6-63 subchapter if the district has any outstanding debt or obligation
 6-64 secured by the tax, and repayment of the debt or obligation would be
 6-65 impaired by the abolition of the tax.

6-66 (c) If the board abolishes the tax, the board shall notify
 6-67 the comptroller of that action in the same manner the municipal
 6-68 secretary provides notice to the comptroller under Section
 6-69 321.405(b), Tax Code.

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

SUBCHAPTER G. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

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

(1) has never issued any bonds; and

(2) is not imposing ad valorem taxes.

(b) The board may adopt an order dividing the district under Section 4017.0704(a) before or after the date of an election held under Section 4017.0705 to confirm the creation of the district.

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

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

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

(b) An order dividing the district must:

(1) name each new district;

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

(3) appoint temporary directors for each new district;

and

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

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

(d) Municipal consent issued under Section 4017.0506 acts as municipal consent to the creation of any new district created by division of the district and to the inclusion of land in the new district.

Sec. 4017.0705. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation election in the manner provided by Section 49.102, Water Code.

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

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

SUBCHAPTER H. DEFINED AREAS

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

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

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

Sec. 4017.0803. DECLARING RESULT AND ISSUING ORDER. (a) If

a majority of the voters voting at an election held under Section 4017.0802 approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area or designated property and describe it by metes and bounds or designate the specific area or property.

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

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

Sec. 4017.0805. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After an order under Section 4017.0803 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for 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 Government Code, do not apply to the district.

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

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

BEGINNING at a 5/8 inch iron rod with 3 inch disk found in the northerly right-of-way of Seven Coves Road, in the apparent common line between said Lynch Survey and the F.K. Henderson Survey, Abstract Number 248, for the common corner of said northerly remainder of 478.483 acre tract, that certain called 11.892 acre tract described instrument to Montgomery County, recorded under Clerk's File Number 2007108360, of the Official Public Records of Montgomery County, Texas (O.P.R.M.C.T.), that certain called 19.170 acre tract described instrument to Montgomery County, recorded under Clerk's File Number 2008076322 and the northerly

9-1 remainder of that certain called 252.848 acre tract described in
 9-2 instrument to Rmdmg, Ltd., recorded under Clerk's File Number
 9-3 2022087003, O.P.R.M.C.T., being the southwesterly corner of the
 9-4 herein described 144.058 acre tract, said POINT OF BEGINNING having
 9-5 a Texas State Plane Coordinate value of N: 10,141,868.64, E:
 9-6 3,835,421.95, Central Zone, grid measurements;
 9-7 THENCE North 18°51'35" West, 1242.26 feet, with the apparent
 9-8 common line between said Calvin Survey and said Henderson Survey,
 9-9 the common line between said northerly remainder of 478.483 acre
 9-10 tract and said northerly remainder of 252.848 acre tract, to a 3/4
 9-11 inch pinched top iron pipe found for the common easterly corner of
 9-12 said northerly remainder of 252.848 acre tract, and that certain
 9-13 called 160.466 acre tract described in instrument to M.C. & G.E.I.,
 9-14 LLC., recorded under Clerk's File Number 2003047826, O.P.R.M.C.T.,
 9-15 being an angle point in the westerly line of the herein described
 9-16 144.058 acre tract;
 9-17 THENCE North 18°46'29" West, 2693.58 feet, with the common
 9-18 line between said northerly remainder of 478.483 acre tract and
 9-19 said 160.466 acre tract, to a 1 inch iron pipe found for the common
 9-20 corner of said northerly remainder of 478.483 acre tract, said
 9-21 160.466 acre tract, and Lot 33, Block 1, of Oak Woods II, as shown on
 9-22 the map or plat thereof, recorded in Cabinet E, Sheet 46B, of the
 9-23 Map Records of Montgomery County, Texas (M.R.M.C.T.), being an
 9-24 angle point in the westerly line of the herein described 144.058
 9-25 acre tract;
 9-26 THENCE North 17°36'27" West, 211.37 feet, with the easterly
 9-27 line of said Lot 33, and Lots 34 and 35, of said Block 1, common to
 9-28 the westerly line of said remainder of 478.483 acre tract, to a 1/2
 9-29 inch iron pipe found for the apparent common westerly corner of said
 9-30 Lynch Survey and the George Lonis Survey, Abstract Number 313, the
 9-31 common corner of said northerly remainder of said 478.483 acre
 9-32 tract, said Lot 35, and the Park & Drill Site, of Serenity Woods,
 9-33 Section 1, as shown on the map or plat thereof, recorded in Cabinet
 9-34 F, Sheet 86B, M.R.M.C.T., being the northwesterly corner of the
 9-35 herein described 144.058 acre tract;
 9-36 THENCE North 86°23'35" East, 393.26 feet, with the apparent
 9-37 common line between said Lynch Survey and said Lonis Survey, the
 9-38 common line between said remainder of 478.483 acre tract and said
 9-39 Park & Drill Site, to a 5/8 inch iron rod found for the apparent
 9-40 common northerly corner of said Lynch Survey and the Nat Hart Davis
 9-41 Survey, Abstract Number 185, the common northerly corner of said
 9-42 northerly remainder of 478.483 acre tract and that certain called
 9-43 79.50 acre tract described in instrument to Poarch / Swinbank LLC.,
 9-44 recorded under Clerk's File Number 2014107141, O.P.R.M.C.T., being
 9-45 the northeasterly corner of the herein described 144.058 acre
 9-46 tract;
 9-47 THENCE South 47°56'40" East, 4115.87 feet, with the apparent
 9-48 common line between said Lynch Survey and said Davis Survey, the
 9-49 southwesterly line of said 79.50 acre tract, that certain called
 9-50 46.92 acre tract described in instrument to Poarch Swinbank, LLC.,
 9-51 recorded under Clerk's File Number 2014084681, O.P.R.M.C.T., and
 9-52 that certain called 11.526 acre tract described in instrument to
 9-53 David Nunez, recorded under Clerk's File Number 2000064636,
 9-54 O.P.R.M.C.T., common to the northeasterly line of said northerly
 9-55 remainder of 478.483 acre tract, to a 5/8 inch iron rod (bent) found
 9-56 for an angle point in the common line between said northerly
 9-57 remainder of 478.483 acre tract and said 11.526 acre tract, being an
 9-58 angle point in the northeasterly line of the herein described
 9-59 144.058 acre tract;
 9-60 THENCE South 47°56'09" East, 549.38 feet, continuing, with
 9-61 the apparent common line between said Lynch Survey and said Davis
 9-62 Survey, the southwesterly line of said 11.526 acre tract and the
 9-63 remainder of that certain called 160 acre tract described in
 9-64 instrument to M.E. Paddock, recorded in Volume 186, Page 409,
 9-65 D.R.M.C.T., common to the northeasterly line of said remainder of
 9-66 478.483 acre tract, to a 1/2 inch iron rod with cap stamped "TPS
 9-67 100834-00" set in an arc of a non-tangent curve to the right in the
 9-68 northerly right-of-way of said Seven Coves Road, for the common
 9-69 corner of said northerly remainder of 478.483 acre tract and said

remainder of 160 acre tract, that certain called 1.896 acre tract described in instrument to Montgomery County, recorded under Clerk's File Number 2007112041, O.P.R.M.C.T., and said 11.892 acre tract, being the southeasterly corner of the herein described 144.058 acre tract;

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

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

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

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

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

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

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

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

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