tract, same being the southwest corner of said Foster Collard Tract Area 3 on the east line of Longmire Road, same being the west line of said Foster Collard Tract Area 3;

Thence, North 10° 40' 00" East, along said east line, 402.06 feet to a point for the most westerly northwest corner of the herein described tract, same being the most westerly northwest corner of said Foster Collard Tract Area 3 and being at the southwest end of a corner cut-back line;

Thence, North 57° 50' 00" East, along said corner cut-back line, 163.00 feet to the POINT OF BEGINNING and containing 24.916 acres of land.

Said Tract 1, Tract 2 and Tract 3 containing a total of 342.842 acres of land.

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, the lieutenant governor, and the 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 are fulfilled and accomplished.

SECTION 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8457, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8457.106 to read as follows:

Sec. 8457.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5. 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, 2013.

Passed the Senate on May 15, 2013: Yeas 31, Nays 0; passed the House on May 22, 2013: Yeas 147, Nays 1, two present not voting.

Approved June 14, 2013.
Effective June 14, 2013.

CHAPTER 568

S.B. No. 725

AN ACT

relating to the creation of the Montgomery County Municipal Utility District No. 134; 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 8458 to read as follows:

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CHAPTER 8458. MONTGOMERY COUNTY MUNICIPAL
UTILITY DISTRICT NO. 134

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8458.001. 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. 134.

Sec. 8458.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8458.003. CONFIRMATION AND DIRECTORS' 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. 8458.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8458.003 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.

Sec. 8458.005. 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. 8458.006. 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 interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8458.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8458.052, directors serve staggered four-year terms.

Sec. 8458.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8458.003; or
(2) the fourth anniversary of the effective date of the Act enacting this chapter.
(c) If permanent directors have not been elected under Section 8458.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

1. the date permanent directors are elected under Section 8458.003; or
2. the fourth anniversary of the date of the appointment or reappointment.

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8458.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8458.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8458.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8458.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 8458.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8458.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

1. revenue other than ad valorem taxes; or
2. contract payments described by Section 8458.153.

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

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

Sec. 8458.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8458.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
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(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8458.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8458.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8458.202. TAXES FOR BONDS. 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 ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8458.203. BONDS FOR ROAD PROJECTS. 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 the real property in the district.

SECTION 2. The Montgomery County Municipal Utility District No. 134 initially includes all the territory contained in the following area:

Being 314.858 acres of land located in the Martin P. Clark Survey, Abstract Number 148, Montgomery County, Texas, being a part of the Foster Clark Tract and all of the Foster Buchanan Tract described in the Development Agreement of record under File Number 2010019564 in the Official Public Records of Montgomery County, Texas (M.C.O.P.R.) and being all of that certain called 1.3004 acre tract conveyed to Foster Timber, Ltd. by an instrument of record under File Number 2010076447, M.C.O.P.R., said 314.858 acres being more particularly described by metes and bounds as follows, all bearings are referenced to the Silver City Colored Subdivision, a subdivision of record in Volume 5, Page 7 of the Map Records of Montgomery County, Texas (M.C.M.R.):

COMMENCING at the northeast corner of the Foster Collard Area Tract 2 as described in said Development Agreement on the west line of said Foster Clark Tract, same being the common line between said Collard and Clark Surveys;

Thence, North 15° 00' 00" East, along said west line, 4,616.66 feet to the POINT OF BEGINNING of the herein described tract;

Thence, North 15° 00' 00" East, continuing along said west line, 1,582.74 feet to a point for the northwest corner of the herein described tract, same being the northwest corner of said Foster Clark tract and being the most southerly west corner of the J. Buchanan Survey, Abstract Number 100 and the most northerly west corner of the aforementioned Clark Survey;

Thence, South 75° 00' 00" East, along the north line of said Foster Clark Tract, same being the common line between said Buchanan and Clark surveys, 5,017.27 feet to a point for corner being the southwest corner of the aforementioned 1.3004 acre tract;

Thence, North 18° 18' 49" East, along the west line of said 1.3004 acre tract, 635.73 feet to a point for the northwest corner of said 1.3004 acre tract on the arc of a non-tangent curve to the left having a radius of 3,883.43 feet and being on the south line of F.M. 830;

Thence, along said south line, the north line of said 1.3004 acre tract and the arc of said curve, passing the common north corner of said 1.3004 acre tract and the aforementioned Foster Buchanan Tract at 91.09 feet, continuing along the north line of said Foster Buchanan...
Tract and said curve, through a central angle of 20° 43' 54", a total arc length of 1,405.16 feet,
and a chord that bears South 80° 42' 30" East, 1,397.50 feet to the northeast corner of said
Foster Buchanan Tract at the end of said curve;

Thence, North 85° 59' 13" East, continuing along said south line and the north line of said
Foster Buchanan Tract, 149.82 feet to a point for the northeast corner of the herein described
tract, same being the northeast corner of said Foster Buchanan Tract on the common survey
line between the aforementioned Buchanan Survey and the F. K. Henderson Survey, Abstract
Number 248, also being the northwest corner of Panorama Hiwon Section Three, a subdivi-
sion of record in Volume 9, Page 15, M.C.M.R.;

Thence, South 15° 00' 00" West, along said common survey line and the west line of said
Panorama Hiwon Section Three, Panorama Hiwon Section Two in Volume 8, Page 31,
M.C.M.R., Panorama Hiwon Section One in Volume 8, Page 29, M.C.M.R. and Panorama
Quail Creek Section One in Volume 7, Page 329, M.C.M.R., 3,034.44 feet to a point for the
southwest corner of the herein described tract, same being the most southerly northeast
corner of the aforementioned Foster Clark Tract;

Thence, North 75° 00' 00" West, along a southerly line of the said Foster Clark Tract, 3,536.10
feet to a point for corner;

Thence, South 10° 00' 00" West, along an easterly line of said Foster Clark Tract, 289.46
feet to a point for corner;

Thence, over and across said Foster Clark Tract the following four (4) courses;
1) North 27° 18' 48" West, 2,162.16 feet to a point for corner;
2) South 50° 44' 32" West, 880.76 feet to a point for corner, the beginning of a non-tangent
curve to the left;
3) Along the arc of said curve to the left having a radius of 500.00 feet, a central angle of
31° 45' 29", an arc length of 277.14 feet, and a chord that bears North 61° 27' 52" West, 273.61
feet to a point for corner at the end of said curve;
4) North 76° 53' 47" West, 842.01 feet to the POINT OF BEGINNING and containing
314.858 acres of land.

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, the lieutenant governor, and the 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 are fulfilled
and accomplished.

SECTION 4. (a) If this Act does not receive a two-thirds vote of all the members elected
to each house, Subchapter C, Chapter 8458, Special District Local Laws Code, as added by
Section 1 of this Act, is amended by adding Section 8458.106 to read as follows:
Sec. 8458.106. NO EMINENT DOMAIN POWER. The district may not exercise the
power of eminent domain.
(b) This section is not intended to be an expression of a legislative interpretation of the
requirements of Subsection (c), Section 17, Article I, Texas Constitution.

SECTION 5. 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, 2013.

Passed the Senate on May 15, 2013: Yeas 31, Nays 0; passed the House on May 22,
2013: Yeas 147, Nays 1, two present not voting.
CHAPTER 223A. CAPTIVE INSURANCE PREMIUM TAX

Sec. 223A.001. DEFINITION. In this chapter, "captive insurance company" means a captive insurance company holding a certificate of authority under Chapter 964.

Sec. 223A.002. APPLICABILITY OF CHAPTER. This chapter applies to a captive insurance company holding a certificate of authority under Chapter 964.

Sec. 223A.003. TAX IMPOSED; RATE. (a) An annual tax is imposed on each captive insurance company that receives gross premiums subject to taxation under this chapter. The rate of the tax is one-half percent of the company's taxable premium receipts for a calendar year.

(b) Except as provided by Subsection (c), in determining a captive insurance company's taxable premium receipts, the captive insurance company shall include the total gross amounts of premiums, membership fees, assessments, dues, revenues, and other considerations for insurance written by the captive insurance company in a calendar year from any kind of insurance written by the company on each kind of property or risk without regard to the location of the property or risk.

(c) The following premium receipts are not included in determining a captive insurance company's taxable premium receipts:

(1) premium receipts received from another authorized insurer for reinsurance;
(2) returned premiums and dividends paid to policyholders; and
(3) premiums excluded by another law of this state.

(d) In determining a captive insurance company's taxable premium receipts, a company is not entitled to a deduction for premiums paid for reinsurance.

(e) The annual minimum aggregate tax to be paid by a captive insurance company under this chapter is $7,500 and the annual maximum aggregate tax to be paid by a company under this chapter is $200,000. Gross premiums subject to taxation under this chapter are not subject to taxes, surcharges, or other regulatory assessments or fees under this code other than insurance maintenance taxes as provided by Section 964.068.

Sec. 223A.004. TAX DUE DATES. (a) The total tax imposed by this chapter is due and payable not later than March 1 after the end of the calendar year for which the tax is due.

(b) A captive insurance company that had a net tax liability for the previous calendar year of more than $1,000 shall make semiannual prepayments of tax on March 1 and August 1. The tax paid on each date must be equal to 50 percent of the total amount of tax the company paid under this chapter for the previous calendar year. If the company did not pay a tax under this chapter during the previous calendar year, the tax paid on each date must be equal to the tax that would be owed on the aggregate of the gross premiums for the two previous calendar quarters.