

By: Eiland

H.B. No. 3500

Substitute the following for H.B. No. 3500:

By: Puente

C.S.H.B. No. 3500

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Galveston County Municipal Utility District No. 63; providing authority to impose taxes and issue bonds; granting the power of eminent domain.

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 8145 to read as follows:

CHAPTER 8145. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT

NO. 63

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8145.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Texas City, Texas.

(3) "Director" means a member of the board.

(4) "District" means the Galveston County Municipal Utility District No. 63.

Sec. 8145.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8145.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8145.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is created to accomplish:

(1) the same purposes as a municipal utility district as provided by Section 54.012, Water Code;

(2) the same purposes as a navigation district created under Section 59, Article XVI, Texas Constitution, and operating under Chapters 60 and 62, Water Code; and

(3) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Sec. 8145.005. INITIAL DISTRICT TERRITORY. (a) The

district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating 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;

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

2           (4) legality or operation.

3           [Sections 8145.006-8145.050 reserved for expansion]

4                           SUBCHAPTER B. BOARD OF DIRECTORS

5           Sec. 8145.051. DIRECTORS; TERMS. (a) The district is  
6 governed by a board of five directors.

7           (b) Except as provided by Section 8145.053, directors serve  
8 staggered four-year terms.

9           Sec. 8145.052. ELECTION OF DIRECTORS. On the uniform  
10 election date in May of each even-numbered year, the appropriate  
11 number of directors shall be elected.

12           Sec. 8145.053. INITIAL DIRECTORS. (a) The initial board  
13 consists of:

14                   (1) Patrick Carmichael;

15                   (2) Matthew Mannen;

16                   (3) Matthew May;

17                   (4) Gigi Strang; and

18                   (5) Jason H. Styles.

19           (b) The terms of the first three directors named in  
20 Subsection (a) expire on the uniform election date in May 2006, and  
21 the terms of the last two directors named in Subsection (a) expire  
22 on the uniform election date in May 2008.

23           (c) This section expires September 1, 2009.

24           [Sections 8145.054-8145.100 reserved for expansion]

25                           SUBCHAPTER C. GENERAL POWERS AND DUTIES

26           Sec. 8145.101. GENERAL POWERS AND DUTIES. The district has  
27 the powers and duties necessary to accomplish the purposes for

1 which the district is created.

2 Sec. 8145.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
3 DUTIES. The district has the powers and duties provided by the  
4 general law of this state, including Chapters 49 and 54, Water Code,  
5 applicable to municipal utility districts created under Section 59,  
6 Article XVI, Texas Constitution.

7 Sec. 8145.103. NAVIGATION POWERS. The district may  
8 purchase, construct, acquire, own, operate, maintain, improve, or  
9 extend, inside and outside the district, canals, waterways,  
10 bulkheads, docks, and any other improvements or facilities  
11 necessary or convenient to accomplish the navigation purposes of  
12 the district authorized by Section 59, Article XVI, Texas  
13 Constitution.

14 Sec. 8145.104. ROAD PROJECTS. (a) The district may  
15 construct, acquire, improve, maintain, or operate macadamized,  
16 graveled, or paved roads or turnpikes, or improvements in aid of  
17 those roads or turnpikes, inside the district.

18 (b) A road project must meet all applicable construction  
19 standards, zoning and subdivision requirements, and regulatory  
20 ordinances of the municipality or county in whose jurisdiction the  
21 district is located.

22 (c) The district may not undertake a road project unless  
23 each municipality or county in whose jurisdiction the district is  
24 located consents by ordinance or resolution.

25 Sec. 8145.105. COMPLIANCE WITH MUNICIPAL CONSENT  
26 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
27 54.016, Water Code, the district shall comply with all applicable

1 requirements of any ordinance or resolution adopted by the city  
2 council that consents to the creation of the district or to the  
3 inclusion of lands within the district.

4 Sec. 8145.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
5 district may exercise the power of eminent domain outside the  
6 district only to acquire an easement necessary for underground  
7 water, sewage, or drainage facilities that serve the district.

8 [Sections 8145.107-8145.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 8145.151. ELECTIONS REGARDING TAXES OR BONDS. (a)  
11 Except as provided by Section 8145.201(c), the district may issue,  
12 without an election, bonds and other obligations secured by revenue  
13 or contract payments from any lawful source other than ad valorem  
14 taxation.

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

19 Sec. 8145.152. AD VALOREM TAX. (a) If authorized at an  
20 election held under Section 8145.151, the district may impose an  
21 annual ad valorem tax on taxable property in the district for the  
22 provision of services or for the maintenance and operation of the  
23 district, including the construction, acquisition, maintenance,  
24 and operation of improvements.

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

27 [Sections 8145.153-8145.200 reserved for expansion]

1                   SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

2                   Sec. 8145.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3 OBLIGATIONS. (a) The district may issue bonds or other obligations  
4 payable wholly or partly from ad valorem taxes, impact fees,  
5 revenue, grants, or other district money, or any combination of  
6 those sources, to pay for any authorized district purpose.

7                   (b) In exercising the district's borrowing power, the  
8 district may issue a bond or other obligation in the form of a bond,  
9 note, certificate of participation, or other instrument evidencing  
10 a proportionate interest in payments to be made by the district, or  
11 other type of obligation.

12                   (c) The district may not issue bonds to finance projects  
13 authorized by Section 8145.104 unless the issuance is approved by a  
14 vote of a two-thirds majority of the voters of the district voting  
15 at an election called for that purpose.

16                   (d) Bonds or other obligations issued or incurred to finance  
17 projects authorized by Section 8145.104 may not exceed one-fourth  
18 of the assessed value of the real property in the district.

19                   (e) Sections 49.181 and 49.182, Water Code, do not apply to  
20 a project undertaken by the district under Section 8145.104 or to  
21 bonds issued by the district to finance the project.

22                   Sec. 8145.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
23 the time bonds or other obligations payable wholly or partly from ad  
24 valorem taxes are issued:

25                   (1) the board shall impose a continuing direct annual  
26 ad valorem tax, without limit as to rate or amount, for each year  
27 that all or part of the bonds are outstanding; and

1           (2) the district annually shall impose an ad valorem  
2 tax on all taxable property in the district in an amount sufficient  
3 to:

4                   (A) pay the interest on the bonds or other  
5 obligations as the interest becomes due;

6                   (B) create a sinking fund for the payment of the  
7 principal of the bonds or other obligations when due or the  
8 redemption price at any earlier required redemption date; and

9                   (C) pay the expenses of imposing the taxes.

10           SECTION 2. The Galveston County Municipal Utility District  
11 No. 63 initially includes all the territory contained in the  
12 following area:

13 TRACT 1

14 Description of 249.1201 acres of land being part of Subdivisions A,  
15 E, F, C, and L, of the KOHFELDT'S RESUBDIVISION according to the map  
16 or plat thereof recorded in Volume 10, Page 35 of the Deed Records  
17 of Galveston County, Texas. Said 249.1201 being part of the tracts  
18 of land conveyed by deed dated March 22, 2004 from Kohfeldt family  
19 Limited Partnership, to Texas Gulf Coast Holdings I LP., as  
20 recorded in Galveston County Clerk's File No. GAC 2004020691, of  
21 the Deed Records of Galveston County, Texas, and being all of the  
22 property conveyed by deed dated December 12, 2003 from Presbyterian  
23 Children's Homes and Services to Texas Gulf Coast Holdings I LP., as  
24 recorded in Galveston County Clerk's File No. GAC 2003089572, of  
25 the Deed Records of Galveston County, Texas. Said 249.1201 acres  
26 being situated in the Thomas W. Johnson Survey and the James Smith  
27 Survey, Galveston County, Texas, and being more particularly

1 described by metes and bounds as follows; (Bearings based plat  
2 calls of said Kohfeldts Resubdivision)  
3 COMMENCING at a point for corner at the intersection of the north  
4 line of F.M. 1764 with the northeasterly line of the G.H. & H. R.R.  
5 railroad right-of-way adjacent to State Highway 3;  
6 THENCE North  $39^{\circ} 12' 00''$  West, along the said northeasterly line of  
7 the G.H. & H. R.R. railroad right-of-way, for a distance of 557.48  
8 feet to a to a point for corner;  
9 THENCE North, along the west line of said Haggard Survey, for a  
10 distance of 3,650.62 feet to a to a point for corner in the north  
11 line of 25th Avenue (R.O.W. 120') (also known as Loop 197);  
12 THENCE East, along the north line of said 25th Avenue, for a  
13 distance of 5373.41 feet to a to a point for corner at the  
14 intersection of the north line of 25th Avenue and the east line of a  
15 called 8.23 acre tract (Tract 2) conveyed by deed dated August 17,  
16 1971 to the City of Texas City, Texas. Said point for corner being  
17 the southwest corner and PLACE of BEGINNING of the herein described  
18 tract;  
19 THENCE along the east line of said 8.23 acres with a curve to the  
20 right having a radius of 625.80 feet, a central angle of  $29^{\circ} 29' 43''$ ,  
21 a chord bearing and distance of  $N 16^{\circ} 40' 28'' E$ , 318.61 feet, an arc  
22 length of 322.16 feet to a to a point for reverse curve;  
23 THENCE continuing along the east line of said 8.23 acres along said  
24 curve to the left having a radius of 320.00 feet, a central angle of  
25  $68^{\circ} 43' 28''$ , a chord bearing and distance of  $N 02^{\circ} 56' 25'' W$ , 361.23  
26 feet, an arc length of 383.83 feet to a to the point of tangent;  
27 THENCE North  $37^{\circ} 08' 45''$  West, continuing along the east line of said



1 8.23 acres for a distance of 2,306.59 feet to a to a point for corner  
2 in the south line of called 190.6 acre tract (Golf Course) conveyed  
3 by deed dated August 17, 1971 to the City of Texas City, Texas;  
4 THENCE in a easterly direction along the perimeter of the 190.6 acre  
5 tract (Golf Course), the following calls;

6 North 87° 28' 47" East, for a distance of 30.11 feet to a to a  
7 point for corner;

8 South 36° 30' 23" East, for a distance of 49.19 feet to a to a  
9 point for corner;

10 North 87° 28' 47" East, for a distance of 54.39 feet to a to a point  
11 for corner;

12 North 85° 48' 20" East, for a distance of 1,121.18 feet to a to a  
13 point for corner;

14 North 23° 36' 58" West, for a distance of 280.94 feet to a to a point  
15 for corner;

16 North 81° 28' 44" East, for a distance of 1,708.56 feet to a to a  
17 point for corner;

18 South 68° 58' 23" East, for a distance of 735.29 feet to a to a point  
19 for corner;

20 North 68° 34' 30" East, for a distance of 533.76 feet to a to a point  
21 for corner;

22 North 60° 30' 34" East, for a distance of 466.76 feet to a to a point  
23 for corner in the west line of a 100' Texas & New Orleans Rail Road  
24 right-of-way;

25 THENCE South 11° 37' 17" East, along the west line of said 100'  
26 Texas & New Orleans Rail Road right-of-way, for a distance of  
27 2,151.34 feet to a to a to a point for corner;

1 THENCE West, for a distance of 308.27 feet to a to a point for  
2 corner;

3 THENCE South, for a distance of 1,095.00 feet to a to a point for  
4 corner in the north line of said 25th Avenue (also known as Loop  
5 197);

6 THENCE West along the north line of said 25th Avenue (also known as  
7 Loop 197), for a distance of 3,207.79 feet to the PLACE OF BEGINNING  
8 of herein described tract of land and containing within these calls  
9 10,851,671 square feet or 249.1201 acres of land.

10 TRACT 2

11 Description of 9.7801 acres of land being part of  
12 Subdivisions E, and F of the KOHFELDT'S RESUBDIVISION according to  
13 the map or plat thereof recorded in Volume 10, Page 35 of the Deed  
14 Records of Galveston County, Texas. Said 9.7801 acres being part of  
15 the tracts of land conveyed by deed dated March 22, 2004 from  
16 Kohfeldt family Limited Partnership, to Texas Gulf Coast Holdings I  
17 LP., as recorded in Galveston County Clerk's File No. GAC  
18 2004020691, of the Deed Records of Galveston County, Texas. Said  
19 9.7801 acres being situated in the Thomas W. Johnson Survey,  
20 Galveston County, Texas, and being more particularly described by  
21 metes and bounds as follows; (Bearings based plat calls of said  
22 Kohfeldts Resubdivision)

23 COMMENCING at a point for corner at the intersection of the north  
24 line of F.M. 1764 with the northeasterly line of the G.H. & H. R.R.  
25 railroad right-of-way adjacent to State Highway 3;

26 THENCE North 39° 12' 00" West, along the said northeasterly line of  
27 the G.H. & H. R.R. railroad right-of-way, for a distance of 557.48

1 feet to a to a point for corner;  
2 THENCE North, along the west line of said Haggard Survey, for a  
3 distance of 3,650.62 feet to a to a point for corner in the north  
4 line of 25th Avenue (R.O.W. 120') (also known as Loop 197);  
5 THENCE East, along the north line of said 25th Avenue, for a  
6 distance of 5,253.36 feet to a to a point for corner at the  
7 intersection of the north line of 25th Avenue and the west line of a  
8 called 8.23 acre tract (Tract 2) conveyed by deed dated August 17,  
9 1971 to the City of Texas City, Texas;  
10 THENCE along the west line of said 8.23 acres with a curve to the  
11 right having a radius of 745.80 feet, a central angle of 29° 48' 20",  
12 a chord bearing and distance of N 16° 31' 10" E, 383.60 feet, an arc  
13 length of 387.96 feet to a to a point for reverse curve;  
14 THENCE continuing along the west line of said 8.23 acres along said  
15 curve to the left having a radius of 200.00 feet, a central angle of  
16 68° 43' 28", a chord bearing and distance of N 02° 56' 25" W, 225.78  
17 feet, an arc length of 239.90 feet to a to the point of tangent;  
18 THENCE North 37° 08' 45" West, continuing along the west line of said  
19 8.23 acres for a distance of 595.32 feet to the southeast corner and  
20 PLACE of BEGINNING of the herein described tract;  
21 THENCE in a northwesterly direction along the perimeter of the said  
22 190.6 acre tract (Golf Course), the following calls;  
23 North 69° 32' 47" West, for a distance of 865.01 feet to a to a point  
24 for corner;  
25 North 14° 17' 14" West, for a distance of 832.79 feet to a to a point  
26 for corner;  
27 North 37° 08' 45" West, for a distance of 180.00 feet to a to a point

1 for corner;  
2 North 52° 51' 15" East, for a distance of 140.00 feet to a to a point  
3 for the most westerly northwest corner of said 8.23 acre tract;  
4 THENCE South 37° 08' 45" East, along the west line of said 8.23 acres  
5 for a distance of 1,677.74 feet to the PLACE OF BEGINNING of herein  
6 described tract of land and containing within these calls 426,021  
7 square feet or 9.7801 acres of land.

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

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

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

22 (d) All requirements of the constitution and laws of this  
23 state and the rules and procedures of the legislature with respect  
24 to the notice, introduction, and passage of this Act are fulfilled  
25 and accomplished.

26 SECTION 4. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2005.