

By: Taylor

H.B. No. 3558

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Galveston County Management District No. 1; providing authority to levy an assessment, impose a tax, and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3841 to read as follows:

CHAPTER 3841. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3841.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Galveston County Management District No. 1.

Sec. 3841.002. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1.

The Galveston County Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3841.003. 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 chapter. By creating the district and in authorizing the City of League City, Galveston County, and other political subdivisions to

1 contract with the district, the legislature has established a
2 program to accomplish the public purposes set out in Section 52-a,
3 Article III, Texas Constitution.

4 (b) The creation of the district is necessary to promote,
5 develop, encourage, and maintain employment, commerce,
6 transportation, housing, tourism, recreation, the arts,
7 entertainment, economic development, safety, and the public
8 welfare in the area of the district.

9 (c) This chapter and the creation of the district may not be
10 interpreted to relieve Galveston County or the City of League City
11 from providing the level of services provided as of the effective
12 date of the Act enacting this chapter, to the area in the district.
13 The district is created to supplement and not to supplant the county
14 or city services provided in the area in the district.

15 Sec. 3841.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
16 The district is created to serve a public use and benefit.

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

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

24 (1) further the public purposes of developing and
25 diversifying the economy of the state;

26 (2) eliminate unemployment and underemployment; and

27 (3) develop or expand transportation and commerce.

1 (d) The district will:

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

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

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

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

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

20 Sec. 3841.005. DISTRICT TERRITORY. (a) The district is
21 composed of the territory described by Section 2 of the Act enacting
22 this chapter, as that territory may have been modified under:

23 (1) Subchapter J, Chapter 49, Water Code; or

24 (2) other law.

25 (b) The boundaries and field notes of the district contained
26 in Section 2 of the Act enacting this chapter form a closure. A
27 mistake in the field notes or in copying the field notes in the

1 legislative process does not in any way affect the district's:

2 (1) organization, existence, or validity;

3 (2) right to issue any type of bond for a purpose for
4 which the district is created or to pay the principal of and
5 interest on the bond;

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

7 (4) legality or operation.

8 Sec. 3841.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

9 All or any part of the area of the district is eligible to be
10 included in:

11 (1) a tax increment reinvestment zone created by the
12 City of League City under Chapter 311, Tax Code;

13 (2) a tax abatement reinvestment zone created by the
14 City of League City under Chapter 312, Tax Code; or

15 (3) an enterprise zone created by the City of League
16 City under Chapter 2303, Government Code.

17 Sec. 3841.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
18 DISTRICTS LAW. Except as otherwise provided by this chapter,
19 Chapter 375, Local Government Code, applies to the district.

20 Sec. 3841.008. LIBERAL CONSTRUCTION OF CHAPTER. This
21 chapter shall be liberally construed in conformity with the
22 findings and purposes stated in this chapter.

23 [Sections 3841.009-3841.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3841.051. BOARD OF DIRECTORS; TERMS. (a) The district
26 is governed by a board of five voting directors who serve staggered
27 terms of four years, with two or three directors' terms expiring

1 June 1 of each odd-numbered year.

2 (b) The board by resolution may change the number of voting
3 directors on the board, but only if the board determines that the
4 change is in the best interest of the district. The board may not
5 consist of fewer than five or more than 15 voting directors.

6 Sec. 3841.052. APPOINTMENT OF DIRECTORS. The Texas
7 Commission on Environmental Quality shall appoint voting directors
8 from persons recommended by the board.

9 Sec. 3841.053. NONVOTING DIRECTORS. The board may appoint
10 nonvoting directors to serve at the pleasure of the voting
11 directors.

12 Sec. 3841.054. QUORUM. For purposes of determining the
13 requirements for a quorum of the board, the following are not
14 counted:

15 (1) a board position vacant for any reason, including
16 death, resignation, or disqualification;

17 (2) a director who is abstaining from participation in
18 a vote because of a conflict of interest; or

19 (3) a nonvoting director.

20 Sec. 3841.055. INITIAL VOTING DIRECTORS. (a) The initial
21 board consists of the following voting directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Brian K. Yates</u>
<u>2</u>	<u>E. John Justema</u>
<u>3</u>	<u>Tod A. Ruble</u>
<u>4</u>	<u>Steve Whynott</u>
<u>5</u>	<u>David R. Hearne</u>

1 (b) Of the initial directors, the terms of directors
2 appointed for positions 1 through 3 expire June 1, 2007, and the
3 terms of directors appointed for positions 4 and 5 expire June 1,
4 2009.

5 (c) Section 3841.052 does not apply to this section.

6 (d) This section expires September 1, 2010.

7 [Sections 3841.056-3841.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 3841.101. ADDITIONAL POWERS OF DISTRICT. The district
10 may exercise the powers given to:

11 (1) an economic development corporation under Section
12 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's
13 Texas Civil Statutes), including the power to own, operate,
14 acquire, construct, lease, improve, or maintain a project described
15 by that section; and

16 (2) a housing finance corporation under Chapter 394,
17 Local Government Code, to provide housing or residential
18 development projects in the district.

19 Sec. 3841.102. NONPROFIT CORPORATION. (a) The board by
20 resolution may authorize the creation of a nonprofit corporation to
21 assist and act for the district in implementing a project or
22 providing a service authorized by this chapter.

23 (b) The nonprofit corporation:

24 (1) has each power of and is considered for purposes of
25 this chapter to be a local government corporation created under
26 Chapter 431, Transportation Code; and

27 (2) may implement any project and provide any service

1 authorized by this chapter.

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

8 Sec. 3841.103. AGREEMENTS; GRANTS. (a) The district may
9 make an agreement with or accept a gift, grant, or loan from any
10 person.

11 (b) The implementation of a project is a governmental
12 function or service for the purposes of Chapter 791, Government
13 Code.

14 Sec. 3841.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.
15 To protect the public interest, the district may contract with a
16 qualified party, including Galveston County or the City of League
17 City, for the county or the city to provide law enforcement services
18 in the district for a fee.

19 Sec. 3841.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
20 district may join and pay dues to an organization that:

21 (1) enjoys tax-exempt status under Section 501(c)(3),
22 (4), or (6), Internal Revenue Code of 1986; and

23 (2) performs a service or provides an activity
24 consistent with the furtherance of a district purpose.

25 Sec. 3841.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
26 district may establish and provide for the administration of one or
27 more programs to promote state or local economic development and to

1 stimulate business and commercial activity in the district,
2 including programs to:

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

4 (2) provide district personnel and services.

5 (b) For purposes of this section, the district has all of
6 the powers of a municipality under Chapter 380, Local Government
7 Code.

8 Sec. 3841.107. NO EMINENT DOMAIN. The district may not
9 exercise the power of eminent domain.

10 [Sections 3841.108–3841.150 reserved for expansion]

11 SUBCHAPTER D. FINANCIAL PROVISIONS

12 Sec. 3841.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
13 board by resolution shall establish the number of directors'
14 signatures and the procedure required for a disbursement or
15 transfer of the district's money.

16 Sec. 3841.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
17 The district may acquire, construct, finance, operate, or maintain
18 any improvement or service authorized under this chapter or Chapter
19 375, Local Government Code, using any money available to the
20 district.

21 Sec. 3841.153. PETITION REQUIRED FOR FINANCING SERVICES AND
22 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
23 service or improvement project with assessments under this chapter
24 unless a written petition requesting that service or improvement
25 has been filed with the board.

26 (b) A petition filed under Subsection (a) must be signed by:

27 (1) the owners of a majority of the assessed value of

1 real property in the district subject to assessment according to
2 the most recent certified tax appraisal roll for Galveston County;
3 or

4 (2) at least 50 persons who own real property in the
5 district, if more than 50 persons own real property in the district
6 as determined by the most recent certified tax appraisal roll for
7 Galveston County.

8 Sec. 3841.154. METHOD OF NOTICE FOR HEARING. The district
9 may mail the notice required by Section 375.115(c), Local
10 Government Code, by certified United States mail or an equivalent
11 service that can provide a record of mailing or other delivery.

12 Sec. 3841.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
13 The board by resolution may impose and collect an assessment for any
14 purpose authorized by this chapter in all or any part of the
15 district.

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

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

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

26 (3) are the personal liability of and a charge against
27 the owners of the property even if the owners are not named in the

1 assessment proceedings.

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

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

10 Sec. 3841.156. AD VALOREM TAX. (a) If authorized at an
11 election held in accordance with Section 3841.160, the district may
12 impose an annual ad valorem tax on taxable property in the district
13 for any district purpose, including to:

- 14 (1) maintain and operate the district;
15 (2) construct or acquire improvements; or
16 (3) provide a service.

17 (b) The board shall determine the tax rate.

18 Sec. 3841.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
19 ASSESSMENTS. The district may not impose an impact fee or
20 assessment on the property, including the equipment,
21 rights-of-way, facilities, or improvements, of:

22 (1) an electric utility or a power generation company
23 as defined by Section 31.002, Utilities Code;

24 (2) a gas utility as defined by Section 101.003 or
25 121.001, Utilities Code;

26 (3) a telecommunications provider as defined by
27 Section 51.002, Utilities Code; or

1 (4) a person who provides to the public cable
2 television or advanced telecommunications services.

3 Sec. 3841.158. BONDS AND OTHER OBLIGATIONS. (a) The
4 district may issue bonds or other obligations, by competitive bid
5 or negotiated sale, payable wholly or partly from ad valorem taxes,
6 assessments, impact fees, revenue, grants, or other money of the
7 district, or any combination of those sources of money, to pay for
8 any authorized purpose of the district.

9 (b) The district may issue a bond or other obligation in the
10 form of a bond, note, certificate of participation or other
11 instrument evidencing a proportionate interest in payments to be
12 made by the district, or other type of obligation.

13 Sec. 3841.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
14 the time bonds or other obligations payable wholly or partly from ad
15 valorem taxes are issued:

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

19 (2) the district annually shall impose the continuing
20 direct ad valorem tax on all taxable property in the district in an
21 amount sufficient to:

22 (A) pay the interest on the bonds or other
23 obligations as the interest becomes due;

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

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

1 Sec. 3841.160. TAX AND BOND ELECTIONS. (a) The district
2 shall hold an election in the manner provided by Subchapter L,
3 Chapter 375, Local Government Code, to obtain voter approval before
4 the district imposes an ad valorem tax or issues bonds payable from
5 ad valorem taxes.

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

8 Sec. 3841.161. CITIES NOT REQUIRED TO PAY DISTRICT
9 OBLIGATIONS. Except as provided by Section 375.263, Local
10 Government Code, the City of League City is not required to pay a
11 bond, note, or other obligation of the district.

12 Sec. 3841.162. COMPETITIVE BIDDING. Section 375.221, Local
13 Government Code, applies to the district only for a contract that
14 has a value greater than \$25,000.

15 Sec. 3841.163. TAX AND ASSESSMENT ABATEMENTS. The district
16 may grant in the manner authorized by Chapter 312, Tax Code, an
17 abatement for a tax or assessment owed to the district.

18 [Sections 3841.164-3841.200 reserved for expansion]

19 SUBCHAPTER E. DISSOLUTION

20 Sec. 3841.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
21 DEBT. (a) The board may dissolve the district regardless of
22 whether the district has debt. Section 375.264, Local Government
23 Code, does not apply to the district.

24 (b) If the district has debt when it is dissolved, the
25 district shall remain in existence solely for the purpose of
26 discharging its debts. The dissolution is effective when all debts
27 have been discharged.

1 SECTION 2. BOUNDARIES. As of the effective date of this
2 Act, the Galveston County Management District No. 1 includes all
3 territory contained in the following described area:
4 BEGINNING at the Southeast corner of ABST 3 PAGE 12 S F AUSTIN SUR TR
5 46, Galveston County, Texas;
6 THENCE South 88° 49' 30" West, along the South line of Tract 46, a
7 distance of 2714.35 feet;
8 THENCE North 01° 12' 20" West a distance of 565.50 feet;
9 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
10 easterly right-of-way of Calder Road;
11 THENCE North 01° 12' 20" West a distance of 30 feet along the
12 easterly right-of-way of Calder Road;
13 THENCE North 88° 50' 15" East, a distance of 746.38 feet;
14 THENCE North 01° 12' 20" West a distance of 60 feet;
15 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
16 easterly right-of-way of Calder Road;
17 THENCE North 0° 55' 20" West a distance of 192.11 feet along the
18 easterly right-of-way of Calder Road;
19 THENCE North 89° 07' 15" East a distance of 748.10 feet;
20 THENCE North 0° 53' 20" West a distance of 250 feet;
21 THENCE South 89° 07' 15" West a distance of 750 feet to the easterly
22 right-of-way of Calder Road;
23 THENCE North 0° 55' 20" West a distance of 70 feet along the easterly
24 right-of-way of Calder Road;
25 THENCE North 89° 07' 15" East a distance of 1555 feet;
26 THENCE North 0° 53' 20" West a distance of 1110 feet;
27 THENCE North 89° 33' 07" East a distance of 690 feet to the westerly

1 right-of-way of Interstate 45;

2 THENCE South 27° 32' 00" East a distance of 1618.16 feet along the
3 westerly right-of-way of Interstate 45;

4 THENCE Southeasterly along the said right-of-way line of Interstate
5 45, being a curve with a Radius of 5877.65 feet, an Arc Length of
6 789.38 feet;

7 THENCE South 35° 28' 41" East a distance of 483.31 feet along the
8 westerly right-of-way of Interstate 45;

9 THENCE South 00° 13' 16" West a distance of 77.21 feet back to the
10 Place of Beginning and containing approximately 97 acres of land,
11 more or less.

12 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
13 that:

14 (1) proper and legal notice of the intention to
15 introduce this Act, setting forth the general substance of this
16 Act, has been published as provided by law, and the notice and a
17 copy of this Act have been furnished to all persons, agencies,
18 officials, or entities to which they are required to be furnished by
19 the constitution and laws of this state, including the governor,
20 who has submitted the notice and Act to the Texas Commission on
21 Environmental Quality;

22 (2) the Texas Commission on Environmental Quality has
23 filed its recommendations relating to this Act with the governor,
24 lieutenant governor, and speaker of the house of representatives
25 within the required time;

26 (3) the general law relating to consent by political
27 subdivisions to the creation of districts with conservation,

1 reclamation, and road powers and the inclusion of land in those
2 districts has been complied with; and

3 (4) all requirements of the constitution and laws of
4 this state and the rules and procedures of the legislature with
5 respect to the notice, introduction, and passage of this Act have
6 been fulfilled and accomplished.

7 SECTION 4. EFFECTIVE DATE. This Act takes effect
8 immediately if it receives a vote of two-thirds of all the members
9 elected to each house, as provided by Section 39, Article III, Texas
10 Constitution. If this Act does not receive the vote necessary for
11 immediate effect, this Act takes effect September 1, 2005.