

1-1 By: Jackson S.B. No. 1800
1-2 (In the Senate - Filed March 22, 2005; March 30, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 2, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 2, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1800 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of the Galveston County Municipal Utility
1-11 District No. 60; providing authority to impose taxes and issue
1-12 bonds; granting the power of eminent domain.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-15 Code, is amended by adding Chapter 8137 to read as follows:

1-16 CHAPTER 8137. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT
1-17 NO. 60

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 8137.001. DEFINITIONS. In this chapter:

1-20 (1) "Board" means the board of directors of the
1-21 district.

1-22 (2) "City" means the City of Texas City, Texas.

1-23 (3) "Director" means a member of the board.

1-24 (4) "District" means the Galveston County Municipal
1-25 Utility District No. 60.

1-26 Sec. 8137.002. NATURE OF DISTRICT. The district is a
1-27 municipal utility district in Galveston County created under and
1-28 essential to accomplish the purposes of Sections 52 and 52-a,
1-29 Article III, Section 1-g, Article VIII, and Section 59, Article
1-30 XVI, Texas Constitution.

1-31 Sec. 8137.003. CONFIRMATION ELECTION REQUIRED. The board
1-32 shall hold an election to confirm the creation of the district as
1-33 provided by Section 49.102, Water Code.

1-34 Sec. 8137.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-35 All land and other property included in the district will benefit
1-36 from the improvements and services to be provided by the district
1-37 under powers conferred by Sections 52 and 52-a, Article III,
1-38 Section 1-g, Article VIII, and Section 59, Article XVI, Texas
1-39 Constitution.

1-40 (b) The district is created for the same purposes as:

1-41 (1) a municipal utility district as provided by
1-42 Section 54.012, Water Code;

1-43 (2) a road utility district created under Section 52,
1-44 Article III, Texas Constitution, and operating under Chapter 441,
1-45 Transportation Code, including the purpose of constructing,
1-46 acquiring, improving, maintaining, and operating roads and road
1-47 facilities;

1-48 (3) a navigation district created under Section 59,
1-49 Article XVI, Texas Constitution, and operating under Chapters 60
1-50 and 62, Water Code; and

1-51 (4) the purchase, construction, acquisition,
1-52 ownership, improvement, maintenance and operation of the public
1-53 works and public improvements authorized for a tax increment
1-54 reinvestment zone operating under Chapter 311, Tax Code, and a
1-55 municipal management district operating under Chapter 375, Local
1-56 Government Code.

1-57 Sec. 8137.005. INITIAL DISTRICT TERRITORY. (a) The
1-58 district is initially composed of the territory described by
1-59 Section 2 of the Act creating this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of
1-61 the Act creating this chapter form a closure. A mistake made in the
1-62 field notes or in copying the field notes in the legislative process
1-63 does not affect the district's:

2-1 (1) organization, existence, or validity;
2-2 (2) right to issue any type of bond for the purposes
2-3 for which the district is created or to pay the principal of and
2-4 interest on a bond;

2-5 (3) right to impose or collect an assessment or tax; or
2-6 (4) legality or operation.

2-7 Sec. 8137.006. CONSTRUCTION OF CHAPTER. This chapter shall
2-8 be liberally construed in conformity with the findings and purposes
2-9 set forth in this chapter.

2-10 [Sections 8137.007-8137.050 reserved for expansion]

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 8137.051. DIRECTORS; TERMS. (a) The district is
2-13 governed by a board of five directors.

2-14 (b) Except as provided by Section 8137.053, directors serve
2-15 staggered four-year terms.

2-16 Sec. 8137.052. ELECTION OF DIRECTORS. On the uniform
2-17 election date in May of each even-numbered year, the appropriate
2-18 number of directors shall be elected.

2-19 Sec. 8137.053. INITIAL DIRECTORS. (a) The initial board
2-20 consists of:

- 2-21 (1) Oscar De La Rosa;
- 2-22 (2) Patrick Bourgoyne;
- 2-23 (3) Greg Young;
- 2-24 (4) James Radford; and
- 2-25 (5) Nikki Dickens.

2-26 (b) The terms of the first three directors named in
2-27 Subsection (a) expire on the uniform election date in May of 2006,
2-28 and the terms of the last two directors named in Subsection (a)
2-29 expire on the uniform election date in May of 2008.

2-30 (c) This section expires September 1, 2009.

2-31 [Sections 8137.054-8137.100 reserved for expansion]

2-32 SUBCHAPTER C. GENERAL POWERS AND DUTIES

2-33 Sec. 8137.101. GENERAL POWERS AND DUTIES. The district has
2-34 the powers and duties necessary to accomplish the purposes for
2-35 which the district is created.

2-36 Sec. 8137.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-37 DUTIES. The district has the powers and duties provided by the
2-38 general law of this state, including Chapters 49 and 54, Water Code,
2-39 applicable to municipal utility districts created under Section 59,
2-40 Article XVI, Texas Constitution.

2-41 Sec. 8137.103. NAVIGATION POWERS. The district may
2-42 purchase, construct, acquire, own, operate, maintain, improve, or
2-43 extend, inside and outside the district, canals, waterways,
2-44 bulkheads, docks, and any other improvements or facilities
2-45 necessary or convenient to accomplish the navigation purposes of
2-46 the district authorized by Section 59, Article XVI, Texas
2-47 Constitution.

2-48 Sec. 8137.104. TAX INCREMENT REINVESTMENT ZONE. (a) All
2-49 or any part of the area of the district is eligible to be included in
2-50 a tax increment reinvestment zone created under Chapter 311, Tax
2-51 Code.

2-52 (b) The district may enter into a contract with the board of
2-53 directors of a reinvestment zone and the governing body of the city
2-54 that provides for the district to manage or assist in managing the
2-55 reinvestment zone or to implement or assist in implementing the
2-56 reinvestment zone's project plan and reinvestment zone financing
2-57 plan. The contract may require the district to issue bonds or other
2-58 obligations and pledge the contract revenues to the payment of the
2-59 bonds or other obligations.

2-60 Sec. 8137.105. EMINENT DOMAIN. (a) Except as provided by
2-61 Subsection (b), the district may exercise the power of eminent
2-62 domain as provided by Section 49.222, Water Code.

2-63 (b) The district must obtain the written consent of the city
2-64 before exercising the power of eminent domain.

2-65 [Sections 8137.106-8137.150 reserved for expansion]

2-66 SUBCHAPTER D. ADDITIONAL ROAD POWERS

2-67 Sec. 8137.151. ROAD PROJECTS. (a) As authorized by
2-68 Section 52, Article III, Texas Constitution, the district may
2-69 construct, acquire, improve, maintain, or operate, inside and

3-1 outside the district, roads and road facilities as defined by
 3-2 Chapter 441, Transportation Code.

3-3 (b) The roads and road facilities authorized by Subsection
 3-4 (a) may include drainage, landscaping, pedestrian improvements,
 3-5 lights, signs, or signals that are incidental to the roads and their
 3-6 construction, maintenance, or operation.

3-7 (c) The roads and road facilities authorized by this section
 3-8 must meet all applicable construction standards, zoning and
 3-9 subdivision requirements, and regulatory ordinances of the city.

3-10 (d) On completion of a road or road facility authorized by
 3-11 this section, the district, with the consent of the city, may convey
 3-12 the road or road facility to the city if the conveyance is free of
 3-13 all indebtedness of the district. If the city becomes the owner of
 3-14 a road or road facility, the city is responsible for all future
 3-15 maintenance and upkeep and the district has no further
 3-16 responsibility for the road or road facility or its maintenance or
 3-17 upkeep, unless otherwise agreed to by the district and the city.

3-18 Sec. 8137.152. JOINT ROAD PROJECTS. (a) A district may
 3-19 contract with a state agency, political subdivision, or corporation
 3-20 created under Chapter 431, Transportation Code, for a joint road
 3-21 project.

3-22 (b) The contract may:
 3-23 (1) provide for joint payment of project costs; and
 3-24 (2) require the state agency, political subdivision,
 3-25 or corporation to design, construct, or improve a project as
 3-26 provided by the contract.

3-27 (c) A contract may be a contract under Section 49.108, Water
 3-28 Code.

3-29 Sec. 8137.153. REIMBURSEMENT FOR ROAD PROJECT. (a) The
 3-30 district may:

3-31 (1) reimburse a private person for money spent to
 3-32 construct a road or road facility that is dedicated or otherwise
 3-33 transferred to public use; or

3-34 (2) purchase a road or road facility constructed by a
 3-35 private person.

3-36 (b) The amount paid for the reimbursement or for the
 3-37 purchase of a road or road facility under Subsection (a) may:

3-38 (1) include all construction costs, including
 3-39 engineering, legal, financing, and other expenses incident to the
 3-40 construction; or

3-41 (2) be at a price not to exceed the replacement cost of
 3-42 the road or road facility as determined by the board.

3-43 (c) The reimbursement or purchase of a road or road facility
 3-44 may be paid for with proceeds from the sale of the district's bonds
 3-45 or from any other money available to the district.

3-46 (d) The district may enter into an agreement to use the
 3-47 proceeds of a subsequent bond sale to reimburse a private person
 3-48 under this section. The agreement may provide the terms and
 3-49 conditions under which the road or road facility is to be dedicated
 3-50 or transferred for the benefit of the public.

3-51 [Sections 8137.154-8137.200 reserved for expansion]

3-52 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

3-53 Sec. 8137.201. ELECTIONS REGARDING TAXES OR BONDS.
 3-54 (a) The district may issue, without an election, bonds and other
 3-55 obligations secured by revenue or contract payments from any lawful
 3-56 source other than ad valorem taxation.

3-57 (b) The district must hold an election in the manner
 3-58 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-59 before the district may impose a maintenance tax or issue bonds
 3-60 payable from ad valorem taxes.

3-61 (c) The board may include more than one purpose in a single
 3-62 proposition at an election.

3-63 (d) The district may issue bonds or other obligations to
 3-64 finance road projects under Section 52(b)(3), Article III, Texas
 3-65 Constitution, secured wholly or partly by ad valorem taxation,
 3-66 impose ad valorem taxes to pay the principal of and interest on the
 3-67 obligations, and provide a sinking fund for the redemption of the
 3-68 obligations only if the issuance is approved by a two-thirds
 3-69 majority of the voters of the district voting at an election called

4-1 and held for that purpose. The total amount of bonds issued under
4-2 this subsection may not exceed one-fourth of the assessed market
4-3 value of real property of the district as determined by the chief
4-4 appraiser of the appraisal district that appraises property for the
4-5 district.

4-6 Sec. 8137.202. AD VALOREM TAX. (a) If authorized at an
4-7 election held under Section 8137.201, the district may impose an
4-8 annual ad valorem tax on taxable property in the district for the
4-9 provision of services or for the maintenance and operation of the
4-10 district, including the construction, acquisition, maintenance,
4-11 and operation of improvements.

4-12 (b) The board shall determine the tax rate. The rate may not
4-13 exceed the rate approved at the election.

4-14 [Sections 8137.203-8137.250 reserved for expansion]

4-15 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 8137.251. AUTHORITY TO ISSUE BONDS AND OTHER
4-17 OBLIGATIONS. (a) The district may issue bonds or other
4-18 obligations payable wholly or partly from ad valorem taxes, impact
4-19 fees, revenue, grants, or other district money, or any combination
4-20 of those sources, to pay for any authorized district purpose.

4-21 (b) In exercising the district's borrowing power, the
4-22 district may issue a bond or other obligation in the form of a bond,
4-23 note, certificate of participation, or other instrument evidencing
4-24 a proportionate interest in payments to be made by the district, or
4-25 other type of obligation.

4-26 Sec. 8137.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
4-27 the time bonds or other obligations payable wholly or partly from ad
4-28 valorem taxes are issued:

4-29 (1) the board shall impose a continuing direct annual
4-30 ad valorem tax, without limit as to rate or amount, for each year
4-31 that all or part of the bonds are outstanding; and

4-32 (2) the district annually shall impose an ad valorem
4-33 tax on all taxable property in the district in an amount sufficient
4-34 to:

4-35 (A) pay the interest on the bonds or other
4-36 obligations as the interest becomes due;

4-37 (B) create a sinking fund for the payment of the
4-38 principal of the bonds or other obligations when due or the
4-39 redemption price at any earlier required redemption date; and

4-40 (C) pay the expenses of imposing the taxes.

4-41 Sec. 8137.253. BONDS FOR CONTRACT COSTS. If the district
4-42 enters into a contract under Section 8137.152, the district may
4-43 issue bonds to pay all or part of the costs of the joint road project
4-44 and any other payments required under the contract.

4-45 Sec. 8137.254. BONDS PAYABLE FROM REVENUE FROM CERTAIN
4-46 CONTRACTS. The district may issue bonds payable wholly or partly
4-47 from the revenue of a contract authorized by Section 8137.104(b) to
4-48 pay for the implementation of the reinvestment zone's project plan
4-49 or reinvestment zone financing plan.

4-50 Sec. 8137.255. AUTHORITY OF TEXAS COMMISSION ON
4-51 ENVIRONMENTAL QUALITY OVER ISSUANCE OF DISTRICT BONDS.

4-52 (a) Sections 49.181 and 49.182, Water Code, apply to all water,
4-53 wastewater, drainage, and recreational facility projects of the
4-54 district and bonds issued for those purposes.

4-55 (b) Section 49.181, Water Code, applies to all road and road
4-56 facility projects and navigation projects and bonds issued for
4-57 those purposes, but the review of the Texas Commission on
4-58 Environmental Quality of the projects is limited to the financial
4-59 feasibility of the projects and bonds, and does not include the
4-60 review or approval of the design and construction of the projects or
4-61 the engineering feasibility of the projects. The commission shall
4-62 adjust the requirements of written applications for investigation
4-63 of feasibility in accordance with this subsection.

4-64 (c) Section 49.182, Water Code, does not apply to road and
4-65 road facility projects, navigation projects, or bonds issued for
4-66 those purposes.

4-67 (d) To the extent that the district issues bonds secured
4-68 solely by revenues provided under a contract described in Section
4-69 8137.104(b), Sections 49.181, 49.182, and 49.4645, Water Code, do

5-1 not apply to the issuance of the bonds and do not restrict the types
5-2 of facilities or improvements that may be financed with the bonds.

5-3 (e) Projects and bonds of the district are not subject to
5-4 the review and approval of the Texas Transportation Commission or
5-5 the rules adopted by the Texas Transportation Commission.

5-6 Sec. 8137.256. APPLICABILITY OF OTHER BOND LAW. Chapter
5-7 1471, Government Code, does not apply to the district.

5-8 SECTION 2. The Galveston County Municipal Utility District
5-9 No. 60 initially includes all the territory contained in the
5-10 following area:

5-11 TRACT 1

5-12 Description of 201.0931 acres of land being part of
5-13 Subdivisions O, P, Q, H, F, and G, of the KOHFELDT'S RESUBDIVISION
5-14 according to the map or plat thereof recorded in Volume 10, Page 35
5-15 of the Deed Records of Galveston County, Texas. Said 201.0931 acres
5-16 being part of the tracts of land conveyed by deed dated March 22,
5-17 2004 from Kohfeldt family Limited Partnership, to Texas Gulf Coast
5-18 Holdings I LP., as recorded in Galveston County Clerk's File No. GAC
5-19 2004020691, of the Deed Records of Galveston County, Texas, Said
5-20 201.0931 acres being situated in the Thomas W. Johnson Survey and
5-21 the James Smith Survey, Galveston County, Texas, and being more
5-22 particularly described by metes and bounds as follows; (Bearings
5-23 based plat calls of said Kohfeldts Resubdivision)

5-24 COMMENCING at a point for corner at the intersection of the
5-25 north line of F.M. 1764 with the northeasterly line of the G.H. & H.
5-26 R.R. railroad right-of-way adjacent to State Highway 3;

5-27 THENCE North 87° 48' 00" East, along the north line of said
5-28 F.M. 1764, for a distance of 1,474.34 feet to a to a point for the
5-29 beginning of a curve to the right;

5-30 THENCE along said curve to the right having a radius of
5-31 2,906.79 feet, a central angle of 22° 11' 55", a chord bearing and
5-32 distance of S 83° 06' 06" E, 1,119.17 feet, an arc length of 1,126.20
5-33 feet to a to a point for tangent;

5-34 THENCE North 89° 53' 00" East, continuing along the north line
5-35 of said F.M. 1764, for a distance of 338.57 feet to a to a point for
5-36 corner;

5-37 THENCE North, for a distance of 865.06 feet to the most
5-38 westerly southwest corner of and PLACE of BEGINNING of the herein
5-39 described tract;

5-40 THENCE North, for a distance of 1,155.00 feet to a point for
5-41 corner;

5-42 THENCE East, for a distance of 1,320.00 feet to a point for
5-43 corner;

5-44 THENCE North, for a distance of 1,155.00 feet to a point for
5-45 corner;

5-46 THENCE East, for a distance of 2,451.45 feet to a point for
5-47 corner;

5-48 THENCE South, for a distance of 1,155.00 feet to a point for
5-49 corner;

5-50 THENCE East, for a distance of 377.15 feet to a point for
5-51 corner;

5-52 THENCE South, for a distance of 1,155.00 feet to a point for
5-53 corner;

5-54 THENCE West, for a distance of 1,508.60 feet to a point for
5-55 corner;

5-56 THENCE South, for a distance of 859.68 feet to a point for
5-57 corner in the north line of said F.M. 1764;

5-58 THENCE South 89° 53' 00" West, along the north line of said
5-59 F.M. 1764, for a distance of 1,320.00 feet to a to a to a point for
5-60 corner;

5-61 THENCE North, for a distance of 862.37 feet to a to a point
5-62 for corner;

5-63 THENCE West, for a distance of 1,320.00 feet to the PLACE OF
5-64 BEGINNING of herein described tract of land and containing within
5-65 these calls 8,759,616 square feet or 201.0931 acres of land.

5-66 TRACT 2

5-67 Description of 20.5734 acres of land being part of
5-68 Subdivision "O" of the KOHFELDT'S RESUBDIVISION according to the map
5-69 or plat thereof recorded in Volume 10, Page 35 of the Deed Records

6-1 of Galveston County, Texas. Said 20.5734201.0931 acres being part
 6-2 of the tracts of land conveyed by deed dated March 22, 2004 from
 6-3 Kohfeldt family Limited Partnership, to Texas Gulf Coast Holdings I
 6-4 LP., as recorded in Galveston County Clerk's File No. GAC
 6-5 2004020691, of the Deed Records of Galveston County, Texas, Said
 6-6 20.5734 acres being situated in the Thomas W. Johnson Survey,
 6-7 Galveston County, Texas, and being more particularly described by
 6-8 metes and bounds as follows; (Bearings based plat calls of said
 6-9 Kohfeldts Resubdivision)

6-10 COMMENCING at a point for corner at the intersection of the
 6-11 north line of F.M. 1764 with the northeasterly line of the G.H. & H.
 6-12 R.R. railroad right-of-way adjacent to State Highway 3;

6-13 THENCE North $87^{\circ} 48' 00''$ East, along the north line of said
 6-14 F.M. 1764, for a distance of 1,474.34 feet to a to a point for the
 6-15 beginning of a curve to the right;

6-16 THENCE along said curve to the right having a radius of
 6-17 2,906.79 feet, a central angle of $22^{\circ} 11' 55''$, a chord bearing and
 6-18 distance of $S 83^{\circ} 06' 06'' E$, 1,119.17 feet, an arc length of 1,126.20
 6-19 feet to a to a point for tangent;

6-20 THENCE North $89^{\circ} 53' 00''$ East, continuing along the north line
 6-21 of said F.M. 1764, for a distance of 338.57 feet to a to a point for
 6-22 corner;

6-23 THENCE North, for a distance of 865.06 feet to the northeast
 6-24 corner and PLACE of BEGINNING of the herein described tract;

6-25 THENCE South, for a distance of 865.06 feet to a point for
 6-26 corner in the north line of said F.M. 1764;

6-27 THENCE South $89^{\circ} 53' 00''$ West, continuing along the north line
 6-28 of said F.M. 1764, for a distance of 338.57 feet to a to a point for
 6-29 the beginning of a curve to the right;

6-30 THENCE along said curve to the right having a radius of
 6-31 2,816.93 feet, a central angle of $06^{\circ} 33' 25''$, a chord bearing and
 6-32 distance of $N 86^{\circ} 54' 43'' W$, 412.52 feet, an arc length of 322.38
 6-33 feet to a to a point for corner;

6-34 THENCE North, for a distance of 353.39 feet to a point for
 6-35 corner;

6-36 THENCE West, for a distance of 660.00 feet to a point for
 6-37 corner;

6-38 THENCE North, for a distance of 495.00 feet to a point for the
 6-39 northwest corner of the herein described tract;

6-40 THENCE East, for a distance of 1,320.00 feet to a point for
 6-41 the northeast corner of the herein described tract;

6-42 THENCE South, for a distance of 856.06 feet to a point for
 6-43 corner to the PLACE OF BEGINNING of herein described tract of land
 6-44 and containing within these calls 896,176 square feet or 20.5734
 6-45 acres of land.

6-46 SECTION 3. (a) The legal notice of the intention to
 6-47 introduce this Act, setting forth the general substance of this
 6-48 Act, has been published as provided by law, and the notice and a
 6-49 copy of this Act have been furnished to all persons, agencies,
 6-50 officials, or entities to which they are required to be furnished
 6-51 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 6-52 Government Code.

6-53 (b) The governor, one of the required recipients, has
 6-54 submitted the notice and Act to the Texas Commission on
 6-55 Environmental Quality.

6-56 (c) The Texas Commission on Environmental Quality has filed
 6-57 its recommendations relating to this Act with the governor, the
 6-58 lieutenant governor, and the speaker of the house of
 6-59 representatives within the required time.

6-60 (d) All requirements of the constitution and laws of this
 6-61 state and the rules and procedures of the legislature with respect
 6-62 to the notice, introduction, and passage of this Act are fulfilled
 6-63 and accomplished.

6-64 SECTION 4. This Act takes effect immediately if it receives
 6-65 a vote of two-thirds of all the members elected to each house, as
 6-66 provided by Section 39, Article III, Texas Constitution. If this
 6-67 Act does not receive the vote necessary for immediate effect, this
 6-68 Act takes effect September 1, 2005.

