

1-1 By: Jackson S.B. No. 1801  
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. 1801 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. 61; 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 8143 to read as follows:

1-16 CHAPTER 8143. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT  
1-17 NO. 61

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 8143.001. 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. 61.

1-26 Sec. 8143.002. 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. 8143.003. 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. 8143.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-35 (a) All land and other property included in the district will  
1-36 benefit from the improvements and services to be provided by the  
1-37 district under powers conferred by Sections 52 and 52-a, Article  
1-38 III, 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. 8143.005. 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. 8143.006. 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 8143.007-8143.050 reserved for expansion]

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 8143.051. DIRECTORS; TERMS. (a) The district is  
2-13 governed by a board of five directors.

2-14 (b) Except as provided by Section 8143.053, directors serve  
2-15 staggered four-year terms.

2-16 Sec. 8143.052. 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. 8143.053. INITIAL DIRECTORS. (a) The initial board  
2-20 consists of:

- 2-21 (1) Andy Heard;
- 2-22 (2) Steve Sheldon;
- 2-23 (3) Stephanie Tharpe;
- 2-24 (4) Larry Boudloche; and
- 2-25 (5) Oliver Aldridge.

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

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

2-31 [Sections 8143.054-8143.100 reserved for expansion]

2-32 SUBCHAPTER C. GENERAL POWERS AND DUTIES

2-33 Sec. 8143.101. 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. 8143.102. 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. 8143.103. 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. 8143.104. 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. 8143.105. 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 8143.106-8143.150 reserved for expansion]

2-66 SUBCHAPTER D. ADDITIONAL ROAD POWERS

2-67 Sec. 8143.151. 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. 8143.152. 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. 8143.153. 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 8143.154-8143.200 reserved for expansion]

#### 3-52 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

3-53 Sec. 8143.201. 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. 8143.202. AD VALOREM TAX. (a) If authorized at an  
4-7 election held under Section 8143.201, 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 8143.203-8143.250 reserved for expansion]

4-15 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 8143.251. 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. 8143.252. 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. 8143.253. BONDS FOR CONTRACT COSTS. If the district  
4-42 enters into a contract under Section 8143.152, 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. 8143.254. 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 8143.104(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. 8143.255. 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 8143.104(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. 8143.256. 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. 61 initially includes all the territory contained in the  
5-10 following area:

5-11 Of 329.9550 acres of land being part of Subdivisions I, J, K, L, M,  
5-12 N, and O, of the KOHFELDT'S RESUBDIVISION according to the map or  
5-13 plat thereof recorded in Volume 10, Page 35 of the Deed Records of  
5-14 Galveston County, Texas. Said 329.9550 acres being part of the  
5-15 tracts of land conveyed by deed dated March 22, 2004 from Kohfeldt  
5-16 family Limited Partnership, to Texas Gulf Coast Holdings I LP., as  
5-17 recorded in Galveston County Clerk's File No. GAC 2004020691, of  
5-18 the Deed Records of Galveston County, Texas. Said 329.9550 acres  
5-19 being situated in the Thomas W. Johnson Survey, James Haggard  
5-20 Survey, and the James Smith Survey Galveston County, Texas, and  
5-21 being more particularly described by metes and bounds as follows;  
5-22 (Bearings based plat calls of said Kohfeldt's Resubdivision)

5-23 BEGINNING at a point for corner at the intersection of the north  
5-24 line of F.M. 1764 with the northeasterly line of the G.H. & H. R.R.  
5-25 railroad right-of-way adjacent to State Highway 3;

5-26 THENCE North 39° 12' 00" West, along the said northeasterly line of  
5-27 the G.H. & H. R.R. railroad right-of-way, for a distance of 557.48  
5-28 feet to a to a point for corner;

5-29 THENCE North, along the west line of said Haggard Survey, for a  
5-30 distance of 3,560.62 feet to a to a point for corner in the south  
5-31 line of 25th Avenue (R.O.W. 120')(also known as Loop 197), said to a  
5-32 point for corner being the northwest corner of the herein described  
5-33 tract;

5-34 THENCE East, continuing along the south line of 25th Avenue (also  
5-35 known as Loop 197), for a distance of 5,752.59 feet to the northeast  
5-36 corner of the herein described tract;

5-37 THENCE South, for a distance of 1,095.00 feet to a to a point for  
5-38 corner;

5-39 THENCE West, for a distance of 1,320.00 feet to a to a point for  
5-40 corner in the common line of the Thomas W. Johnson Survey, and the  
5-41 James Smith Survey;

5-42 THENCE South, along the common line of the Thomas W. Johnson Survey,  
5-43 and the James Smith Survey, for a distance of 1,155.00 feet to a to a  
5-44 point for corner;

5-45 THENCE West, for a distance of 2,640.00 feet to a to a point for  
5-46 corner in the east line of the James Haggard Survey;

5-47 THENCE South, along the east line of the James Haggard Survey, for a  
5-48 distance of 1,657.30 feet to a to a point for corner in the north  
5-49 line of said F.M. 1764;

5-50 THENCE South 87° 48' 00" West along the north line of said F.M. 1764,  
5-51 for a distance of 1,441.31 feet to the PLACE OF BEGINNING of herein  
5-52 described tract of land and containing within these calls  
5-53 14,372,838 square feet or 329.9550 acres of land.

5-54 SECTION 3. (a) The legal notice of the intention to  
5-55 introduce this Act, setting forth the general substance of this  
5-56 Act, has been published as provided by law, and the notice and a  
5-57 copy of this Act have been furnished to all persons, agencies,  
5-58 officials, or entities to which they are required to be furnished  
5-59 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5-60 Government Code.

5-61 (b) The governor, one of the required recipients, has  
5-62 submitted the notice and Act to the Texas Commission on  
5-63 Environmental Quality.

5-64 (c) The Texas Commission on Environmental Quality has filed  
5-65 its recommendations relating to this Act with the governor, the  
5-66 lieutenant governor, and the speaker of the house of  
5-67 representatives within the required time.

5-68 (d) All requirements of the constitution and laws of this  
5-69 state and the rules and procedures of the legislature with respect

6-1 to the notice, introduction, and passage of this Act are fulfilled  
6-2 and accomplished.

6-3 SECTION 4. This Act takes effect immediately if it receives  
6-4 a vote of two-thirds of all the members elected to each house, as  
6-5 provided by Section 39, Article III, Texas Constitution. If this  
6-6 Act does not receive the vote necessary for immediate effect, this  
6-7 Act takes effect September 1, 2005.

6-8

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