

By: Jackson

S.B. No. 1804

A BILL TO BE ENTITLED

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AN ACT

relating to the creation of the Galveston County Municipal Utility District No. 64; 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 8146 to read as follows:

CHAPTER 8146. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT

NO. 64

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8146.001. 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. 64.

Sec. 8146.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution.

Sec. 8146.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as

1 provided by Section 49.102, Water Code.

2 Sec. 8146.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

3 (a) All land and other property included in the district will  
4 benefit from the improvements and services to be provided by the  
5 district under powers conferred by Sections 52 and 52-a, Article  
6 III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas  
7 Constitution.

8 (b) The district is created for the same purposes as:

9 (1) a municipal utility district as provided by  
10 Section 54.012, Water Code;

11 (2) a road utility district created under Section 52,  
12 Article III, Texas Constitution, and operating under Chapter 441,  
13 Transportation Code, including the purpose of constructing,  
14 acquiring, improving, maintaining, and operating roads and road  
15 facilities;

16 (3) a navigation district created under Section 59,  
17 Article XVI, Texas Constitution, and operating under Chapters 60  
18 and 62, Water Code; and

19 (4) the purchase, construction, acquisition,  
20 ownership, improvement, maintenance and operation of the public  
21 works and public improvements authorized for a tax increment  
22 reinvestment zone operating under Chapter 311, Tax Code, and a  
23 municipal management district operating under Chapter 375, Local  
24 Government Code.

25 Sec. 8146.005. INITIAL DISTRICT TERRITORY. (a) The  
26 district is initially composed of the territory described by  
27 Section 2 of the Act creating this chapter.

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

5           (1) organization, existence, or validity;

6           (2) right to issue any type of bond for the purposes  
7 for which the district is created or to pay the principal of and  
8 interest on a bond;

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

10          (4) legality or operation.

11       Sec. 8146.006. CONSTRUCTION OF CHAPTER. This chapter shall  
12 be liberally construed in conformity with the findings and purposes  
13 set forth in this chapter.

14       [Sections 8146.007-8146.050 reserved for expansion]

15           SUBCHAPTER B. BOARD OF DIRECTORS

16       Sec. 8146.051. DIRECTORS; TERMS. (a) The district is  
17 governed by a board of five directors.

18       (b) Except as provided by Section 8146.053, directors serve  
19 staggered four-year terms.

20       Sec. 8146.052. ELECTION OF DIRECTORS. On the uniform  
21 election date in May of each even-numbered year, the appropriate  
22 number of directors shall be elected.

23       Sec. 8146.053. INITIAL DIRECTORS. (a) The initial board  
24 consists of:

25           (1) Troy Maxwell;

26           (2) Phillip Franshaw;

27           (3) David Hile;

1           (4) Jeremy Radack; and

2           (5) Robert Anthony.

3           (b) The terms of the first three directors named in  
4 Subsection (a) expire on the uniform election date in May 2006, and  
5 the terms of the last two directors named in Subsection (a) expire  
6 on the uniform election date in May 2008.

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

8           [Sections 8146.054-8146.100 reserved for expansion]

9           SUBCHAPTER C. GENERAL POWERS AND DUTIES

10          Sec. 8146.101. GENERAL POWERS AND DUTIES. The district has  
11 the powers and duties necessary to accomplish the purposes for  
12 which the district is created.

13          Sec. 8146.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
14 DUTIES. The district has the powers and duties provided by the  
15 general law of this state, including Chapters 49 and 54, Water Code,  
16 applicable to municipal utility districts created under Section 59,  
17 Article XVI, Texas Constitution.

18          Sec. 8146.103. NAVIGATION POWERS. The district may  
19 purchase, construct, acquire, own, operate, maintain, improve, or  
20 extend, inside and outside the district, canals, waterways,  
21 bulkheads, docks, and any other improvements or facilities  
22 necessary or convenient to accomplish the navigation purposes of  
23 the district authorized by Section 59, Article XVI, Texas  
24 Constitution.

25          Sec. 8146.104. TAX INCREMENT REINVESTMENT ZONE. (a) All  
26 or any part of the area of the district is eligible to be included in  
27 a tax increment reinvestment zone created under Chapter 311, Tax

1 Code.

2 (b) The district may enter into a contract with the board of  
3 directors of a reinvestment zone and the governing body of the city  
4 that provides for the district to manage or assist in managing the  
5 reinvestment zone or to implement or assist in implementing the  
6 reinvestment zone's project plan and reinvestment zone financing  
7 plan. The contract may require the district to issue bonds or other  
8 obligations and pledge the contract revenues to the payment of the  
9 bonds or other obligations.

10 Sec. 8146.105. EMINENT DOMAIN. (a) Except as provided by  
11 Subsection (b), the district may exercise the power of eminent  
12 domain as provided by Section 49.222, Water Code.

13 (b) The district must obtain the written consent of the city  
14 before exercising the power of eminent domain.

15 [Sections 8146.106-8146.150 reserved for expansion]

16 SUBCHAPTER D. ADDITIONAL ROAD POWERS

17 Sec. 8146.151. ROAD PROJECTS. (a) As authorized by  
18 Section 52, Article III, Texas Constitution, the district may  
19 construct, acquire, improve, maintain, or operate, inside and  
20 outside the district, roads and road facilities as defined by  
21 Chapter 441, Transportation Code.

22 (b) The roads and road facilities authorized by Subsection  
23 (a) may include drainage, landscaping, pedestrian improvements,  
24 lights, signs, or signals that are incidental to the roads and their  
25 construction, maintenance, or operation.

26 (c) The roads and road facilities authorized by this section  
27 must meet all applicable construction standards, zoning and

1 subdivision requirements, and regulatory ordinances of the city.

2 (d) On completion of a road or road facility authorized by  
3 this section, the district, with the consent of the city, may convey  
4 the road or road facility to the city if the conveyance is free of  
5 all indebtedness of the district. If the city becomes the owner of  
6 a road or road facility, the city is responsible for all future  
7 maintenance and upkeep and the district has no further  
8 responsibility for the road or road facility or its maintenance or  
9 upkeep, unless otherwise agreed to by the district and the city.

10 Sec. 8146.152. JOINT ROAD PROJECTS. (a) A district may  
11 contract with a state agency, political subdivision, or corporation  
12 created under Chapter 431, Transportation Code, for a joint road  
13 project.

14 (b) The contract may:

15 (1) provide for joint payment of project costs; and  
16 (2) require the state agency, political subdivision,  
17 or corporation to design, construct, or improve a project as  
18 provided by the contract.

19 (c) A contract may be a contract under Section 49.108, Water  
20 Code.

21 Sec. 8146.153. REIMBURSEMENT FOR ROAD PROJECT. (a) The  
22 district may:

23 (1) reimburse a private person for money spent to  
24 construct a road or road facility that is dedicated or otherwise  
25 transferred to public use; or

26 (2) purchase a road or road facility constructed by a  
27 private person.

1       (b) The amount paid for the reimbursement or for the  
2 purchase of a road or road facility under Subsection (a) may:

3           (1) include all construction costs, including  
4 engineering, legal, financing, and other expenses incident to the  
5 construction; or

6           (2) be at a price not to exceed the replacement cost of  
7 the road or road facility as determined by the board.

8       (c) The reimbursement or purchase of a road or road facility  
9 may be paid for with proceeds from the sale of the district's bonds  
10 or from any other money available to the district.

11       (d) The district may enter into an agreement to use the  
12 proceeds of a subsequent bond sale to reimburse a private person  
13 under this section. The agreement may provide the terms and  
14 conditions under which the road or road facility is to be dedicated  
15 or transferred for the benefit of the public.

16       [Sections 8146.154-8146.200 reserved for expansion]

17       SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

18       Sec. 8146.201. ELECTIONS REGARDING TAXES OR BONDS.

19       (a) The district may issue, without an election, bonds and other  
20 obligations secured by revenue or contract payments from any lawful  
21 source other than ad valorem taxation.

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

26       (c) The board may include more than one purpose in a single  
27 proposition at an election.

1       (d) The district may issue bonds or other obligations to  
2 finance road projects under Section 52(b)(3), Article III, Texas  
3 Constitution, secured wholly or partly by ad valorem taxation,  
4 impose ad valorem taxes to pay the principal of and interest on the  
5 obligations, and provide a sinking fund for the redemption of the  
6 obligations only if the issuance is approved by a two-thirds  
7 majority of the voters of the district voting at an election called  
8 and held for that purpose. The total amount of bonds issued under  
9 this subsection may not exceed one-fourth of the assessed market  
10 value of real property of the district as determined by the chief  
11 appraiser of the appraisal district that appraises property for the  
12 district.

13       Sec. 8146.202. AD VALOREM TAX. (a) If authorized at an  
14 election held under Section 8146.201, the district may impose an  
15 annual ad valorem tax on taxable property in the district for the  
16 provision of services or for the maintenance and operation of the  
17 district, including the construction, acquisition, maintenance,  
18 and operation of improvements.

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

21       [Sections 8146.203-8146.250 reserved for expansion]

22               SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

23       Sec. 8146.251. AUTHORITY TO ISSUE BONDS AND OTHER  
24 OBLIGATIONS. (a) The district may issue bonds or other  
25 obligations payable wholly or partly from ad valorem taxes, impact  
26 fees, revenue, grants, or other district money, or any combination  
27 of those sources, to pay for any authorized district purpose.



1       (b) In exercising the district's borrowing power, the  
2 district may issue a bond or other obligation in the form of a bond,  
3 note, certificate of participation, or other instrument evidencing  
4 a proportionate interest in payments to be made by the district, or  
5 other type of obligation.

6       Sec. 8146.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
7 the time bonds or other obligations payable wholly or partly from ad  
8 valorem taxes are issued:

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

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

15                   (A) pay the interest on the bonds or other  
16 obligations as the interest becomes due;

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

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

21       Sec. 8146.253. BONDS FOR CONTRACT COSTS. If the district  
22 enters into a contract under Section 8146.152, the district may  
23 issue bonds to pay all or part of the costs of the joint road project  
24 and any other payments required under the contract.

25       Sec. 8146.254. BONDS PAYABLE FROM REVENUE FROM CERTAIN  
26 CONTRACTS. The district may issue bonds payable wholly or partly  
27 from the revenue of a contract authorized by Section 8146.104(b) to

1 pay for the implementation of the reinvestment zone's project plan  
2 or reinvestment zone financing plan.

3 Sec. 8146.255. AUTHORITY OF TEXAS COMMISSION ON  
4 ENVIRONMENTAL QUALITY OVER ISSUANCE OF DISTRICT BONDS.

5 (a) Sections 49.181 and 49.182, Water Code, apply to all water,  
6 wastewater, drainage, and recreational facility projects of the  
7 district and bonds issued for those purposes.

8 (b) Section 49.181, Water Code, applies to all road and road  
9 facility projects and navigation projects and bonds issued for  
10 those purposes, but the review of the Texas Commission on  
11 Environmental Quality of the projects is limited to the financial  
12 feasibility of the projects and bonds, and does not include the  
13 review or approval of the design and construction of the projects or  
14 the engineering feasibility of the projects. The commission shall  
15 adjust the requirements of written applications for investigation  
16 of feasibility in accordance with this subsection.

17 (c) Section 49.182, Water Code, does not apply to road and  
18 road facility projects, navigation projects, or bonds issued for  
19 those purposes.

20 (d) To the extent that the district issues bonds secured  
21 solely by revenues provided under a contract described in Section  
22 8146.104(b), Sections 49.181, 49.182, and 49.4645, Water Code, do  
23 not apply to the issuance of the bonds and do not restrict the types  
24 of facilities or improvements that may be financed with the bonds.

25 (e) Projects and bonds of the district are not subject to  
26 the review and approval of the Texas Transportation Commission or  
27 the rules adopted by the Texas Transportation Commission.

1           Sec. 8146.256. APPLICABILITY OF OTHER BOND LAW. Chapter  
2 1471, Government Code, does not apply to the district.

3           SECTION 2. The Galveston County Municipal Utility District  
4 No. 64 initially includes all the territory contained in the  
5 following area:

6 Of 91.9438 acres of land being Lots 1 & 8, Block 2, Subdivision "D",  
7 Lots 3 & 4, Block 2, Subdivision "C", Lots 1 thru 6 Block 1,  
8 Subdivision "C", and all of Block 1, Subdivision "B", of the  
9 KOHFELDT'S RESUBDIVISION according to the map or plat thereof  
10 recorded in Volume 10, Page 35 of the Deed Records of Galveston  
11 County, Texas. Said 91.9438 acres being part of the tracts of land  
12 conveyed by deed dated March 22, 2004 from Kohfeldt family Limited  
13 Partnership, to Texas Gulf Coast Holdings I LP., as recorded in  
14 Galveston County Clerk's File No. GAC 2004020693, of the Deed  
15 Records of Galveston County, Texas. Said 91.9438 acres being  
16 situated in the Thomas W. Johnson Survey, James Haggard Survey, and  
17 the James Smith Survey Galveston County, Texas, and being more  
18 particularly described by metes and bounds as follows; (Bearings  
19 based plat calls of said Kohfeldt's Resubdivision)

20 BEGINNING at a point for corner at the intersection of the north  
21 line of 25th Avenue (120' R.O.W.) (also known as Loop 197), with the  
22 west line of said Lot 8, Block 2, Subdivision "D" (James Smith  
23 Survey);

24 THENCE North, along the west line of said Lots 1 & 8, Block 2,  
25 Subdivision "D", for a distance of 1,095.00 feet to a point for  
26 corner;

27 THENCE East, for a distance of 377.15 feet to a point for the

1 southwest corner of said Block 1, Subdivision "C";  
2 THENCE North, along the west line of said Block 1, Subdivision "C"  
3 for a distance of 1,155.00 feet to a point for corner;  
4 THENCE East, along the north line of said Block 1, Subdivision "C"  
5 for a distance of 1,282.30 feet to a point for corner;  
6 THENCE North, along the east line of Block 2, of said Subdivision  
7 "B" for a distance of 1,155.00 feet to a point for corner;  
8 THENCE West, along the south line of said Block 1, Subdivision "B"  
9 for a distance of 1,282.30 feet to a point for corner;  
10 THENCE North, along the west line of said Block 1, Subdivision "B"  
11 for a distance of 1,030.00 feet to a point for corner;  
12 THENCE North 82° 26' 53" East along the meanders of Moses Lake, for a  
13 distance of 1,293.52 feet to a point for the northeast corner of  
14 said Block 1, Subdivision "B"  
15 THENCE East, for a distance of 30.00 feet to a point for corner in  
16 the east line of a 60' dedicated road right-of-way;  
17 THENCE South, along a line 30.00 feet east of and parallel with the  
18 east line said Subdivisions "B" & "C", for a distance of 3,510.00  
19 feet to a point for corner in the common line of Blocks 1 & 2, of said  
20 Subdivision "C";  
21 THENCE West, for a distance of 786.30 feet to a to a point for the  
22 northeast corner of said Lot 3, Block 2, of said Subdivision "C";  
23 THENCE South, along the east line of said Lots 3 & 4, Block 2, of  
24 said Subdivision "C" for a distance of 1,095.00 feet to a point for  
25 corner in the north line of said F.M. 1764;  
26 THENCE West, along the north line of said F.M. 1764, for a distance  
27 of 903.15 feet to the PLACE OF BEGINNING of herein described tract

1 of land and containing within these calls 4,005,070 square feet or  
2 91.9438 acres of land.

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

10 (b) The governor, one of the required recipients, has  
11 submitted the notice and Act to the Texas Commission on  
12 Environmental Quality.

13 (c) The Texas Commission on Environmental Quality has filed  
14 its recommendations relating to this Act with the governor, the  
15 lieutenant governor, and the speaker of the house of  
16 representatives within the required time.

17 (d) All requirements of the constitution and laws of this  
18 state and the rules and procedures of the legislature with respect  
19 to the notice, introduction, and passage of this Act are fulfilled  
20 and accomplished.

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