

1-1 By: Jackson S.B. No. 1804
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. 1804 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. 64; 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 8146 to read as follows:

1-16 CHAPTER 8146. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT
1-17 NO. 64

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 8146.001. 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. 64.

1-26 Sec. 8146.002. 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. 8146.003. 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. 8146.004. 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. 8146.005. 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. 8146.006. 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 8146.007-8146.050 reserved for expansion]

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 8146.051. DIRECTORS; TERMS. (a) The district is
2-13 governed by a board of five directors.

2-14 (b) Except as provided by Section 8146.053, directors serve
2-15 staggered four-year terms.

2-16 Sec. 8146.052. 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. 8146.053. INITIAL DIRECTORS. (a) The initial board
2-20 consists of:

- 2-21 (1) Troy Maxwell;
- 2-22 (2) Phillip Franshaw;
- 2-23 (3) David Hile;
- 2-24 (4) Jeremy Radack; and
- 2-25 (5) Robert Anthony.

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 8146.054-8146.100 reserved for expansion]

2-32 SUBCHAPTER C. GENERAL POWERS AND DUTIES

2-33 Sec. 8146.101. 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. 8146.102. 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. 8146.103. 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. 8146.104. 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. 8146.105. 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 8146.106-8146.150 reserved for expansion]

2-66 SUBCHAPTER D. ADDITIONAL ROAD POWERS

2-67 Sec. 8146.151. 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. 8146.152. 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. 8146.153. 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 8146.154-8146.200 reserved for expansion]

3-52 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

3-53 Sec. 8146.201. 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. 8146.202. AD VALOREM TAX. (a) If authorized at an
4-7 election held under Section 8146.201, 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 8146.203-8146.250 reserved for expansion]

4-15 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 8146.251. 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. 8146.252. 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. 8146.253. BONDS FOR CONTRACT COSTS. If the district
4-42 enters into a contract under Section 8146.152, 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. 8146.254. 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 8146.104(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. 8146.255. 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 8146.104(b), Sections 49.181, 49.182, and 49.4645, Water Code, do

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

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

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

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

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

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

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

THENCE East, for a distance of 377.15 feet to a point for the southwest corner of said Block 1, Subdivision "C";

THENCE North, along the west line of said Block 1, Subdivision "C" for a distance of 1,155.00 feet to a point for corner;

THENCE East, along the north line of said Block 1, Subdivision "C" for a distance of 1,282.30 feet to a point for corner;

THENCE North, along the east line of Block 2, of said Subdivision "B" for a distance of 1,155.00 feet to a point for corner;

THENCE West, along the south line of said Block 1, Subdivision "B" for a distance of 1,282.30 feet to a point for corner;

THENCE North, along the west line of said Block 1, Subdivision "B" for a distance of 1,030.00 feet to a point for corner;

THENCE North 82° 26' 53" East along the meanders of Moses Lake, for a distance of 1,293.52 feet to a point for the northeast corner of said Block 1, Subdivision "B"

THENCE East, for a distance of 30.00 feet to a point for corner in the east line of a 60' dedicated road right-of-way;

THENCE South, along a line 30.00 feet east of and parallel with the east line said Subdivisions "B" & "C", for a distance of 3,510.00 feet to a point for corner in the common line of Blocks 1 & 2, of said Subdivision "C";

THENCE West, for a distance of 786.30 feet to a to a point for the northeast corner of said Lot 3, Block 2, of said Subdivision "C";

THENCE South, along the east line of said Lots 3 & 4, Block 2, of said Subdivision "C" for a distance of 1,095.00 feet to a point for corner in the north line of said F.M. 1764;

THENCE West, along the north line of said F.M. 1764, for a distance of 903.15 feet to the PLACE OF BEGINNING of herein described tract of land and containing within these calls 4,005,070 square feet or 91.9438 acres of land.

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

(b) The governor, one of the required recipients, has

6-1 submitted the notice and Act to the Texas Commission on
6-2 Environmental Quality.

6-3 (c) The Texas Commission on Environmental Quality has filed
6-4 its recommendations relating to this Act with the governor, the
6-5 lieutenant governor, and the speaker of the house of
6-6 representatives within the required time.

6-7 (d) All requirements of the constitution and laws of this
6-8 state and the rules and procedures of the legislature with respect
6-9 to the notice, introduction, and passage of this Act are fulfilled
6-10 and accomplished.

6-11 SECTION 4. This Act takes effect immediately if it receives
6-12 a vote of two-thirds of all the members elected to each house, as
6-13 provided by Section 39, Article III, Texas Constitution. If this
6-14 Act does not receive the vote necessary for immediate effect, this
6-15 Act takes effect September 1, 2005.

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