

By: Jackson

S.B. No. 1805

A BILL TO BE ENTITLED

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AN ACT

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

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

SECTION 1. CREATION OF DISTRICT. (a) Galveston County Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The board by resolution may change the name of the district.

SECTION 2. DEFINITIONS. In this Act:

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

(2) "City" means the City of League City, Texas.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "County" means Galveston, County, Texas

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

SECTION 3. 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 Act.

(b) The creation of the district is necessary to promote,

1 develop, encourage, and maintain employment, commerce,
2 transportation, housing, tourism, recreation, the arts,
3 entertainment, economic development, safety, and the public
4 welfare in the area of the district.

5 (c) The creation of the district and this legislation may
6 not be interpreted to relieve the county or the city from providing
7 the level of services provided, as of the effective date of this
8 Act, to the area in the district. The district is created to
9 supplement and not to supplant the county or city services provided
10 in the area in the district.

11 (d) By creating the district and in authorizing the city,
12 the county, and other political subdivisions to contract with the
13 district, the legislature has established a program to accomplish
14 the public purposes set out in Section 52-a, Article III, Texas
15 Constitution.

16 SECTION 4. BOUNDARIES. The district includes all the
17 territory contained in the following described area:

18 BEGINNING at the Southeast corner of ABST 3 PAGE 12 S F AUSTIN SUR TR
19 46, Galveston County, Texas;

20 THENCE South 88° 49' 30" West, along the South line of Tract 46, a
21 distance of 2714.35 feet;

22 THENCE North 01° 12' 20" West a distance of 565.50 feet;

23 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
24 easterly right-of-way of Calder Road;

25 THENCE North 01° 12' 20" West a distance of 30 feet along the
26 easterly right-of-way of Calder Road;

27 THENCE North 88° 50' 15" East, a distance of 746.38 feet;

1 THENCE North 01° 12' 20" West a distance of 60 feet;
2 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
3 easterly right-of-way of Calder Road;
4 THENCE North 0° 55' 20" West a distance of 192.11 feet along the
5 easterly right-of-way of Calder Road;
6 THENCE North 89° 07' 15" East a distance of 748.10 feet;
7 THENCE North 0° 53' 20" West a distance of 250 feet;
8 THENCE South 89° 07' 15" West a distance of 750 feet to the easterly
9 right-of-way of Calder Road;
10 THENCE North 0° 55' 20" West a distance of 70 feet along the easterly
11 right-of-way of Calder Road;
12 THENCE North 89° 07' 15" East a distance of 1555 feet;
13 THENCE North 0° 53' 20" West a distance of 1110 feet;
14 THENCE North 89° 33' 07" East a distance of 690 feet to the westerly
15 right-of-way of Interstate 45;
16 THENCE South 27° 32' 00" East a distance of 1618.16 feet along the
17 westerly right-of-way of Interstate 45;
18 THENCE Southeasterly along the said right-of-way line of Interstate
19 45, being a curve with a Radius of 5877.65 feet, an Arc Length of
20 789.38 feet;
21 THENCE South 35° 28' 41" East a distance of 483.31 feet along the
22 westerly right-of-way of Interstate 45;
23 THENCE South 00° 13' 16" West a distance of 77.21 feet back to the
24 Place of Beginning and containing approximately 97 acres of land,
25 more or less.

26 SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries
27 and field notes of the district form a closure. If a mistake is made

1 in the field notes or in copying the field notes in the legislative
2 process, the mistake does not in any way affect the district's:

3 (1) organization, existence, or validity;

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

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

8 (4) legality or operation.

9 SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

10 (a) The district is created to serve a public use and benefit. All
11 the land and other property included in the district will be
12 benefited by the improvements and services to be provided by the
13 district under powers conferred by Sections 52 and 52-a, Article
14 III, and Section 59, Article XVI, Texas Constitution, and other
15 powers granted under this Act.

16 (b) The creation of the district is in the public interest
17 and is essential to:

18 (1) further the public purposes of development and
19 diversification of the economy of the state; and

20 (2) eliminate unemployment and underemployment and
21 develop or expand transportation and commerce.

22 (c) The district will:

23 (1) promote the health, safety, and general welfare of
24 residents, employers, employees, visitors, and consumers in the
25 district and the general public;

26 (2) provide needed funding to preserve, maintain, and
27 enhance the economic health and vitality of the district as a

1 community and business center; and

2 (3) further promote the health, safety, welfare, and
3 enjoyment of the public by providing pedestrian ways and by
4 landscaping and developing certain areas in the district, which are
5 necessary for the restoration, preservation, and enhancement of
6 scenic beauty.

7 (d) Pedestrian ways along or across a street, whether at
8 grade or above or below the surface, and street lighting, street
9 landscaping, and street art objects are parts of and necessary
10 components of a street and are considered to be a street or road
11 improvement.

12 (e) The district will not act as the agent or
13 instrumentality of any private interest even though many private
14 interests, as well as the general public, will be benefited by the
15 district.

16 SECTION 7. APPLICATION OF OTHER LAW. (a) Except as
17 otherwise provided by this Act, Chapter 375, Local Government Code,
18 applies to the district.

19 (b) Chapter 311, Government Code, applies to this Act.

20 SECTION 8. CONSTRUCTION OF ACT. This Act shall be liberally
21 construed in conformity with the findings and purposes stated in
22 this Act.

23 SECTION 9. BOARD OF DIRECTORS IN GENERAL. (a) Except as
24 provided by Subsection (c), the district is governed by a board of
25 five voting directors appointed under Section 10 and nonvoting
26 directors as provided by Section 11.

27 (b) Voting directors serve staggered terms of four years,

1 with three directors' terms expiring June 1 of an odd-numbered year
2 and two directors' terms expiring June 1 of the following
3 odd-numbered year.

4 (c) The board may increase or decrease the number of
5 directors on the board by resolution provided that it is in the best
6 interest of the district to do so and that the board consists of not
7 fewer than five and not more than 15 directors.

8 (d) A position as director on the board that is vacant for
9 any reason including death, resignation, disqualification, or
10 abstention from participation in a vote due to a conflict of
11 interest, is not counted for the purposes of determining the
12 requirements for a quorum of the board.

13 SECTION 10. APPOINTMENT OF DIRECTORS. The Commission shall
14 appoint voting directors from persons recommended by the board.

15 SECTION 11. NONVOTING DIRECTORS. (a) The Board may
16 appoint persons to serve as nonvoting directors.

17 (b) Nonvoting directors are not counted for the purposes of
18 determining the requirements for or establishing a quorum of the
19 board.

20 SECTION 12. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

21 (a) Except as provided by this section:

22 (1) a director may participate in all board votes and
23 decisions; and

24 (2) Chapter 171, Local Government Code, governs
25 conflicts of interest for directors.

26 (b) Section 171.004, Local Government Code, does not apply
27 to the district. A director who has a substantial interest in a

1 business or charitable entity that will receive a pecuniary benefit
2 from a board action shall file a one-time affidavit declaring the
3 interest. An additional affidavit is not required if the
4 director's interest changes. After the affidavit is filed with the
5 board secretary, the director may participate in a discussion or
6 vote on that action if:

7 (1) a majority of the directors have a similar
8 interest in the same entity; or

9 (2) all other similar business or charitable entities
10 in the district will receive a similar pecuniary benefit.

11 (c) A director who is also an officer or employee of a public
12 entity may not participate in the discussion of or vote on a matter
13 regarding a contract with that public entity.

14 (d) For purposes of this section, a director has a
15 substantial interest in a charitable entity in the same manner that
16 a person would have a substantial interest in a business entity
17 under Section 171.002, Local Government Code.

18 SECTION 13. ADDITIONAL POWERS OF DISTRICT. The district
19 may exercise the powers given to:

20 (1) an economic development corporation under Section
21 4B, Development Corporation Act of 1979 (Article 5190.6, Texas
22 Revised Civil Statutes), including the power to own, operate,
23 acquire, construct, lease, improve, and maintain projects
24 described by that section; and

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

1 SECTION 14. NO EMINENT DOMAIN. Notwithstanding the
2 provisions of any other law, the district may not exercise the power
3 of eminent domain.

4 SECTION 15. AGREEMENTS; GRANTS. (a) The district may make
5 an agreement with or accept a gift, grant, or loan from any person.

6 (b) The implementation of a project is a governmental
7 function or service for the purposes of Chapter 791, Government
8 Code.

9 SECTION 16. LAW ENFORCEMENT SERVICES. To protect the
10 public interest, the district may contract with a qualified party,
11 including the county or the city to provide law enforcement
12 services in the district for a fee.

13 SECTION 17. NONPROFIT CORPORATION. (a) The board by
14 resolution may authorize the creation of a nonprofit corporation to
15 assist and act on behalf of the district in implementing a project
16 or providing a service authorized by this Act.

17 (b) The board shall appoint the board of directors of a
18 nonprofit corporation created under this section. The board of
19 directors of the nonprofit corporation shall serve in the same
20 manner as the board of directors of a local government corporation
21 created under Chapter 431, Transportation Code; provided that they
22 need not live in the district.

23 (c) A nonprofit corporation created under this section has
24 the powers of and is considered for purposes of this Act to be a
25 local government corporation created under Chapter 431,
26 Transportation Code.

27 (d) A nonprofit corporation created under this section may

1 implement any project and provide any service authorized by this
2 Act.

3 SECTION 18. ASSESSMENTS. (a) The board by resolution may
4 impose and collect an assessment in all or part of the district for
5 any purpose authorized by this Act.

6 (b) Assessments, including assessments resulting from an
7 addition to or correction of the assessment roll by the district,
8 reassessments, penalties and interest on an assessment or
9 reassessment, expenses of collection, and reasonable attorney's
10 fees incurred by the district:

11 (1) are a first and prior lien against the property
12 assessed;

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

16 (3) are the personal liability of and charge against
17 the owners of the property even if the owners are not named in the
18 assessment proceedings.

19 (c) The lien is effective from the date of the resolution of
20 the board imposing the assessment until the date the assessment is
21 paid. The board may enforce the lien in the same manner that the
22 board may enforce an ad valorem tax lien against real property.

23 (d) Without necessity of notice and hearing in the manner
24 required for additional assessments, the board may make corrections
25 to or deletions from the assessment roll provided that such
26 corrections or deletions do not increase the amount of assessment
27 of any parcel of land.

1 SECTION 19. REQUIREMENTS FOR FINANCING SERVICES AND
2 IMPROVEMENTS. (a) The district may acquire, construct, finance,
3 operate and maintain any improvement or service authorized pursuant
4 to this Act or Chapter 375, Local Government Code, using all funds
5 available to the district. A petition is only required to finance a
6 service or improvement if such service or improvement is to be
7 financed with assessments. In such event, a written petition
8 requesting the improvement or service must have been filed with the
9 board. The petition must be signed by:

10 (1) the owners of a majority of the assessed value of
11 real property in the district subject to assessment as determined
12 by the most recent certified tax appraisal roll for the county; or

13 (2) at least 50 persons who own real property in the
14 district, if more than 50 persons own real property in the district
15 as determined by the most recent certified tax appraisal roll for
16 the county.

17 (b) The required notice of public hearings to be mailed to
18 property owners subject to assessment may be mailed or delivered by
19 certified mail or an equivalent service that can provide a record of
20 delivery or mailing.

21 SECTION 20. UTILITIES. The district may not impose an
22 impact fee or assessment on the property, equipment, rights of way,
23 facilities, or improvements of an electric utility or a power
24 generation company as defined by Section 31.002, Utilities Code, a
25 gas utility as defined by Section 101.003 or 121.001, Utilities
26 Code, a telecommunications provider as defined by Section 51.002,
27 Utilities Code, or of a person that provides to the public cable

1 television or advanced telecommunications services. If the
2 district, in the exercise of the powers conferred on it by this Act,
3 requires or requests the relocation, rerouting, or removal of
4 electric, gas, water, sewer, communications, or other public
5 utilities, as defined by Sections 31.002, 101.003, 121.001, or
6 51.002, Utilities Code, the relocation, rerouting, or removal shall
7 be at the sole expense of the district.

8 SECTION 21. BONDS. (a) The district may issue bonds or
9 other obligations, by competitive bid or negotiated sale, payable
10 in whole or in part from ad valorem taxes, assessments, impact fees,
11 revenue, grants, or other money of the district, or any combination
12 of those sources of money, to pay for any authorized purpose of the
13 district.

14 (b) In exercising the district's borrowing power, the
15 district may issue a bond or other obligation in the form of a bond,
16 note, certificate of participation or other instrument evidencing a
17 proportionate interest in payments to be made by the district, or
18 other type of obligation.

19 (c) At the time bonds payable in whole or in part from ad
20 valorem taxes are issued, the board shall levy a continuing direct
21 annual ad valorem tax for each year while all or part of the bonds
22 are outstanding on all taxable property within the district in
23 sufficient amount to pay the interest on the bonds as it becomes due
24 and to create a sinking fund for the payment of the principal of the
25 bonds when due or the redemption price at any earlier required
26 redemption date and to pay the expenses of assessing and collecting
27 taxes.

1 SECTION 22. ELECTIONS. (a) The district shall hold an
2 election in the manner provided by Subchapter L, Chapter 375, Local
3 Government Code, to obtain voter approval before the district
4 imposes an ad valorem tax or issues bonds payable from ad valorem
5 taxes.

6 (b) The board may include more than one purpose in a single
7 proposition at an election.

8 (c) Section 375.243, Local Government Code, does not apply
9 to the district.

10 SECTION 23. AD VALOREM TAX. (a) If authorized at an
11 election held in accordance with Section 21, the district may
12 impose an annual ad valorem tax on taxable property in the district
13 for the acquisition, construction, financing, maintenance and
14 operation of the district and the improvements constructed or
15 acquired by the district or for the provision of services.

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

17 SECTION 24. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
18 OBLIGATIONS. Except as provided by Section 375.263, Local
19 Government Code, a municipality is not required to pay a bond, note,
20 or other obligation of the district.

21 SECTION 25. DISBURSEMENTS OR TRANSFERS OF MONEY. The board
22 by resolution shall establish the number of directors' signatures
23 and the procedure required for a disbursement or transfer of the
24 district's money.

25 SECTION 26. COMPETITIVE BIDDING LIMIT. Section 375.221,
26 Local Government Code, applies to the district only for a contract
27 that has a value greater than \$25,000.

1 SECTION 27. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
2 OUTSTANDING DEBT. (a) The board may vote to dissolve a district
3 that has debt. If the vote is in favor of dissolution, the district
4 shall remain in existence solely for the limited purpose of
5 discharging its debts. The dissolution is effective when all debts
6 have been discharged.

7 (b) Section 375.264, Local Government Code, does not apply
8 to the district.

9 SECTION 28. INITIAL DIRECTORS. (a) The initial board
10 consists of the following persons:

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

17 (b) Of the initial directors, the terms of directors
18 appointed for positions 1 through 3 expire June 1, 2009, and the
19 terms of directors appointed for positions 4 and 5 expire June 1,
20 2007.

21 (c) Section 10 does not apply to this section.

22 (d) This section expires September 1, 2007.

23 SECTION 29. TAX AND ASSESSMENT ABATEMENTS. Without further
24 authorization or other procedural requirement, the district may
25 grant, consistent with Chapter 312, Tax Code, an abatement for a tax
26 or assessment owed to the district.

27 SECTION 30. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The

1 district may join and pay dues to an organization that enjoys
2 tax-exempt status under Sections 501(c)(3), (4), or (6), Internal
3 Revenue Code of 1986, as amended, and that performs services or
4 provides activities consistent with the furtherance of the purposes
5 of the district. An expenditure of public money for membership in
6 the organization is considered to further the purposes of the
7 district and to be for a public purpose.

8 SECTION 31. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

9 All or any part of the area of the district is eligible,
10 notwithstanding other statutory criteria, to be included in a tax
11 increment reinvestment zone created by the city under Chapter 311,
12 Tax Code, or included in a tax abatement reinvestment zone created
13 by the city under Chapter 312, Tax Code. All or any part of the area
14 of the district is also eligible to be included in an enterprise
15 zone created by the city under Chapter 2303, Government Code.

16 SECTION 32. ECONOMIC DEVELOPMENT PROGRAMS. The district

17 may establish and provide for the administration of one or more
18 programs, including programs for making loans and grants of public
19 money and providing personnel and services of the district, to
20 promote state or local economic development and to stimulate
21 business and commercial activity in the district. The district has
22 all of the powers and authority of a municipality under Chapter 380,
23 Local Government Code.

24 SECTION 33. LEGISLATIVE FINDINGS. The legislature finds

25 that:

26 (1) proper and legal notice of the intention to
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a
2 copy of this Act have been furnished to all persons, agencies,
3 officials, or entities to which they are required to be furnished by
4 the constitution and laws of this state, including the governor,
5 who has submitted the notice and Act to the Texas Commission on
6 Environmental Quality;

7 (2) the Texas Commission on Environmental Quality has
8 filed its recommendations relating to this Act with the governor,
9 lieutenant governor, and speaker of the house of representatives
10 within the required time;

11 (3) the general law relating to consent by political
12 subdivisions to the creation of districts with conservation,
13 reclamation, and road powers and the inclusion of land in those
14 districts has been complied with; and

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

19 SECTION 34. EFFECTIVE DATE. This Act takes effect
20 immediately if it receives a vote of two-thirds of all the members
21 elected to each house, as provided by Section 39, Article III, Texas
22 Constitution. If this Act does not receive the vote necessary for
23 immediate effect, this Act takes effect September 1, 2005.