

1-1 By: Jackson S.B. No. 1805
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. 1805 By: Deuell

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

1-10 relating to the creation of the Galveston County Management
1-11 District No. 1; providing authority to levy an assessment, impose a
1-12 tax, and issue bonds.

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

1-14 SECTION 1. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1.
1-15 Subtitle C, Title 4, Special District Local Laws Code, is amended by
1-16 adding Chapter 3841 to read as follows:

1-17 CHAPTER 3841. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 3841.001. DEFINITIONS. In this chapter:

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

1-22 (2) "District" means the Galveston County Management
1-23 District No. 1.

1-24 Sec. 3841.002. GALVESTON COUNTY MANAGEMENT DISTRICT NO. 1.
1-25 The Galveston County Management District No. 1 is a special
1-26 district created under Section 59, Article XVI, Texas Constitution.

1-27 Sec. 3841.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-28 creation of the district is essential to accomplish the purposes of
1-29 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-30 Texas Constitution, and other public purposes stated in this
1-31 chapter. By creating the district and in authorizing the City of
1-32 League City, Galveston County, and other political subdivisions to
1-33 contract with the district, the legislature has established a
1-34 program to accomplish the public purposes set out in Section 52-a,
1-35 Article III, Texas Constitution.

1-36 (b) The creation of the district is necessary to promote,
1-37 develop, encourage, and maintain employment, commerce,
1-38 transportation, housing, tourism, recreation, the arts,
1-39 entertainment, economic development, safety, and the public
1-40 welfare in the area of the district.

1-41 (c) This chapter and the creation of the district may not be
1-42 interpreted to relieve Galveston County or the City of League City
1-43 from providing the level of services provided as of the effective
1-44 date of the Act enacting this chapter to the area in the district.
1-45 The district is created to supplement and not to supplant the county
1-46 or city services provided in the area in the district.

1-47 Sec. 3841.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-48 (a) The district is created to serve a public use and benefit.

1-49 (b) All land and other property included in the district
1-50 will benefit from the improvements and services to be provided by
1-51 the district under powers conferred by Sections 52 and 52-a,
1-52 Article III, and Section 59, Article XVI, Texas Constitution, and
1-53 other powers granted under this chapter.

1-54 (c) The creation of the district is in the public interest
1-55 and is essential to:

1-56 (1) further the public purposes of developing and
1-57 diversifying the economy of the state;

1-58 (2) eliminate unemployment and underemployment; and

1-59 (3) develop or expand transportation and commerce.

1-60 (d) The district will:

1-61 (1) promote the health, safety, and general welfare of
1-62 residents, employers, potential employees, employees, visitors,
1-63 and consumers in the district, and of the public;

2-1 (2) provide needed funding for the district to
2-2 preserve, maintain, and enhance the economic health and vitality of
2-3 the district territory as a community and business center; and

2-4 (3) promote the health, safety, welfare, and enjoyment
2-5 of the public by providing pedestrian ways and by landscaping and
2-6 developing certain areas in the district, which are necessary for
2-7 the restoration, preservation, and enhancement of scenic beauty.

2-8 (e) Pedestrian ways along or across a street, whether at
2-9 grade or above or below the surface, and street lighting, street
2-10 landscaping, parking, and street art objects are parts of and
2-11 necessary components of a street and are considered to be a street
2-12 or road improvement.

2-13 (f) The district will not act as the agent or
2-14 instrumentality of any private interest even though the district
2-15 will benefit many private interests as well as the public.

2-16 Sec. 3841.005. DISTRICT TERRITORY. (a) The district is
2-17 composed of the territory described by Section 2 of the Act enacting
2-18 this chapter, as that territory may have been modified under:

2-19 (1) Subchapter J, Chapter 49, Water Code; or

2-20 (2) other law.

2-21 (b) The boundaries and field notes of the district contained
2-22 in Section 2 of the Act enacting this chapter form a closure. A
2-23 mistake in the field notes or in copying the field notes in the
2-24 legislative process does not in any way affect the district's:

2-25 (1) organization, existence, or validity;

2-26 (2) right to issue any type of bond for a purpose for
2-27 which the district is created or to pay the principal of and
2-28 interest on the bond;

2-29 (3) right to impose or collect an assessment or tax; or

2-30 (4) legality or operation.

2-31 Sec. 3841.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-32 All or any part of the area of the district is eligible to be
2-33 included in:

2-34 (1) a tax increment reinvestment zone created by the
2-35 City of League City under Chapter 311, Tax Code;

2-36 (2) a tax abatement reinvestment zone created by the
2-37 City of League City under Chapter 312, Tax Code; or

2-38 (3) an enterprise zone created by the City of League
2-39 City under Chapter 2303, Government Code.

2-40 Sec. 3841.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-41 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-42 Chapter 375, Local Government Code, applies to the district.

2-43 Sec. 3841.008. LIBERAL CONSTRUCTION OF CHAPTER. This
2-44 chapter shall be liberally construed in conformity with the
2-45 findings and purposes stated in this chapter.

2-46 [Sections 3841.009-3841.050 reserved for expansion]

2-47 SUBCHAPTER B. BOARD OF DIRECTORS

2-48 Sec. 3841.051. BOARD OF DIRECTORS; TERMS. (a) The
2-49 district is governed by a board of five voting directors who serve
2-50 staggered terms of four years, with two or three directors' terms
2-51 expiring June 1 of each odd-numbered year.

2-52 (b) The board by resolution may change the number of voting
2-53 directors on the board, but only if the board determines that the
2-54 change is in the best interest of the district. The board may not
2-55 consist of fewer than five or more than 15 voting directors.

2-56 Sec. 3841.052. APPOINTMENT OF DIRECTORS. The Texas
2-57 Commission on Environmental Quality shall appoint voting directors
2-58 from persons recommended by the board.

2-59 Sec. 3841.053. NONVOTING DIRECTORS. The board may appoint
2-60 nonvoting directors to serve at the pleasure of the voting
2-61 directors.

2-62 Sec. 3841.054. QUORUM. For purposes of determining the
2-63 requirements for a quorum of the board, the following are not
2-64 counted:

2-65 (1) a board position vacant for any reason, including
2-66 death, resignation, or disqualification;

2-67 (2) a director who is abstaining from participation in
2-68 a vote because of a conflict of interest; or

2-69 (3) a nonvoting director.

3-1 Sec. 3841.055. INITIAL VOTING DIRECTORS. (a) The initial
3-2 board consists of the following voting directors:

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

3-9 (b) Of the initial directors, the terms of directors
3-10 appointed for positions 1 through 3 expire June 1, 2007, and the
3-11 terms of directors appointed for positions 4 and 5 expire June 1,
3-12 2009.

3-13 (c) Section 3841.052 does not apply to this section.

3-14 (d) This section expires September 1, 2010.

3-15 [Sections 3841.056-3841.100 reserved for expansion]

3-16 SUBCHAPTER C. POWERS AND DUTIES

3-17 Sec. 3841.101. ADDITIONAL POWERS OF DISTRICT. The district
3-18 may exercise the powers given to:

3-19 (1) an economic development corporation under Section
3-20 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's
3-21 Texas Civil Statutes), including the power to own, operate,
3-22 acquire, construct, lease, improve, or maintain a project described
3-23 by that section; and

3-24 (2) a housing finance corporation under Chapter 394,
3-25 Local Government Code, to provide housing or residential
3-26 development projects in the district.

3-27 Sec. 3841.102. NONPROFIT CORPORATION. (a) The board by
3-28 resolution may authorize the creation of a nonprofit corporation to
3-29 assist and act for the district in implementing a project or
3-30 providing a service authorized by this chapter.

3-31 (b) The nonprofit corporation:

3-32 (1) has each power of and is considered for purposes of
3-33 this chapter to be a local government corporation created under
3-34 Chapter 431, Transportation Code; and

3-35 (2) may implement any project and provide any service
3-36 authorized by this chapter.

3-37 (c) The board shall appoint the board of directors of the
3-38 nonprofit corporation. The board of directors of the nonprofit
3-39 corporation shall serve in the same manner as the board of directors
3-40 of a local government corporation created under Chapter 431,
3-41 Transportation Code, except that a board member is not required to
3-42 reside in the district.

3-43 Sec. 3841.103. AGREEMENTS; GRANTS. (a) The district may
3-44 make an agreement with or accept a gift, grant, or loan from any
3-45 person.

3-46 (b) The implementation of a project is a governmental
3-47 function or service for the purposes of Chapter 791, Government
3-48 Code.

3-49 Sec. 3841.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.
3-50 To protect the public interest, the district may contract with a
3-51 qualified party, including Galveston County or the City of League
3-52 City, for the county or the city to provide law enforcement services
3-53 in the district for a fee.

3-54 Sec. 3841.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
3-55 district may join and pay dues to an organization that:

3-56 (1) enjoys tax-exempt status under Section 501(c)(3),
3-57 (4), or (6), Internal Revenue Code of 1986; and

3-58 (2) performs a service or provides an activity
3-59 consistent with the furtherance of a district purpose.

3-60 Sec. 3841.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
3-61 district may establish and provide for the administration of one or
3-62 more programs to promote state or local economic development and to
3-63 stimulate business and commercial activity in the district,
3-64 including programs to:

3-65 (1) make loans and grants of public money; and

3-66 (2) provide district personnel and services.

3-67 (b) For purposes of this section, the district has all of
3-68 the powers of a municipality under Chapter 380, Local Government
3-69 Code.

4-1 Sec. 3841.107. NO EMINENT DOMAIN. The district may not
4-2 exercise the power of eminent domain.

4-3 [Sections 3841.108-3841.150 reserved for expansion]

4-4 SUBCHAPTER D. FINANCIAL PROVISIONS

4-5 Sec. 3841.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
4-6 board by resolution shall establish the number of directors'
4-7 signatures and the procedure required for a disbursement or
4-8 transfer of the district's money.

4-9 Sec. 3841.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
4-10 The district may acquire, construct, finance, operate, or maintain
4-11 any improvement or service authorized under this chapter or Chapter
4-12 375, Local Government Code, using any money available to the
4-13 district.

4-14 Sec. 3841.153. PETITION REQUIRED FOR FINANCING SERVICES AND
4-15 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
4-16 service or improvement project with assessments under this chapter
4-17 unless a written petition requesting that service or improvement
4-18 has been filed with the board.

4-19 (b) A petition filed under Subsection (a) must be signed by:

4-20 (1) the owners of a majority of the assessed value of
4-21 real property in the district subject to assessment according to
4-22 the most recent certified tax appraisal roll for Galveston County;
4-23 or

4-24 (2) at least 50 persons who own real property in the
4-25 district, if more than 50 persons own real property in the district
4-26 as determined by the most recent certified tax appraisal roll for
4-27 Galveston County.

4-28 Sec. 3841.154. METHOD OF NOTICE FOR HEARING. The district
4-29 may mail the notice required by Section 375.115(c), Local
4-30 Government Code, by certified United States mail or an equivalent
4-31 service that can provide a record of mailing or other delivery.

4-32 Sec. 3841.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
4-33 The board by resolution may impose and collect an assessment for any
4-34 purpose authorized by this chapter in all or any part of the
4-35 district.

4-36 (b) An assessment, a reassessment, or an assessment
4-37 resulting from an addition to or correction of the assessment roll
4-38 by the district, penalties and interest on an assessment or
4-39 reassessment, an expense of collection, and reasonable attorney's
4-40 fees incurred by the district:

4-41 (1) are a first and prior lien against the property
4-42 assessed;

4-43 (2) are superior to any other lien or claim other than
4-44 a lien or claim for county, school district, or municipal ad valorem
4-45 taxes; and

4-46 (3) are the personal liability of and a charge against
4-47 the owners of the property even if the owners are not named in the
4-48 assessment proceedings.

4-49 (c) The lien is effective from the date of the board's
4-50 resolution imposing the assessment until the date the assessment is
4-51 paid. The board may enforce the lien in the same manner that the
4-52 board may enforce an ad valorem tax lien against real property.

4-53 (d) The board may make a correction to or deletion from the
4-54 assessment roll that does not increase the amount of assessment of
4-55 any parcel of land without providing notice and holding a hearing in
4-56 the manner required for additional assessments.

4-57 Sec. 3841.156. AD VALOREM TAX. (a) If authorized at an
4-58 election held in accordance with Section 3841.160, the district may
4-59 impose an annual ad valorem tax on taxable property in the district
4-60 for any district purpose, including to:

4-61 (1) maintain and operate the district;

4-62 (2) construct or acquire improvements; or

4-63 (3) provide a service.

4-64 (b) The board shall determine the tax rate.

4-65 Sec. 3841.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
4-66 ASSESSMENTS. The district may not impose an impact fee or
4-67 assessment on the property, including the equipment,
4-68 rights-of-way, facilities, or improvements, of:

4-69 (1) an electric utility or a power generation company

5-1 as defined by Section 31.002, Utilities Code;
 5-2 (2) a gas utility as defined by Section 101.003 or
 5-3 121.001, Utilities Code;
 5-4 (3) a telecommunications provider as defined by
 5-5 Section 51.002, Utilities Code; or
 5-6 (4) a person who provides to the public cable
 5-7 television or advanced telecommunications services.
 5-8 Sec. 3841.158. BONDS AND OTHER OBLIGATIONS. (a) The
 5-9 district may issue bonds or other obligations, by competitive bid
 5-10 or negotiated sale, payable wholly or partly from ad valorem taxes,
 5-11 assessments, impact fees, revenue, grants, or other money of the
 5-12 district, or any combination of those sources of money, to pay for
 5-13 any authorized purpose of the district.
 5-14 (b) The district may issue a bond or other obligation in the
 5-15 form of a bond, note, certificate of participation or other
 5-16 instrument evidencing a proportionate interest in payments to be
 5-17 made by the district, or other type of obligation.
 5-18 Sec. 3841.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
 5-19 the time bonds or other obligations payable wholly or partly from ad
 5-20 valorem taxes are issued:
 5-21 (1) the board shall impose a continuing direct annual
 5-22 ad valorem tax, without limit as to rate or amount, for each year
 5-23 that all or part of the bonds are outstanding; and
 5-24 (2) the district annually shall impose the continuing
 5-25 direct ad valorem tax on all taxable property in the district in an
 5-26 amount sufficient to:
 5-27 (A) pay the interest on the bonds or other
 5-28 obligations as the interest becomes due;
 5-29 (B) create a sinking fund for the payment of the
 5-30 principal of the bonds or other obligations when due or the
 5-31 redemption price at any earlier required redemption date; and
 5-32 (C) pay the expenses of imposing the taxes.
 5-33 Sec. 3841.160. TAX AND BOND ELECTIONS. (a) The district
 5-34 shall hold an election in the manner provided by Subchapter L,
 5-35 Chapter 375, Local Government Code, to obtain voter approval before
 5-36 the district imposes an ad valorem tax or issues bonds payable from
 5-37 ad valorem taxes.
 5-38 (b) Section 375.243, Local Government Code, does not apply
 5-39 to the district.
 5-40 Sec. 3841.161. CITIES NOT REQUIRED TO PAY DISTRICT
 5-41 OBLIGATIONS. Except as provided by Section 375.263, Local
 5-42 Government Code, the City of League City is not required to pay a
 5-43 bond, note, or other obligation of the district.
 5-44 Sec. 3841.162. COMPETITIVE BIDDING. Section 375.221, Local
 5-45 Government Code, applies to the district only for a contract that
 5-46 has a value greater than \$25,000.
 5-47 Sec. 3841.163. TAX AND ASSESSMENT ABATEMENTS. The district
 5-48 may grant in the manner authorized by Chapter 312, Tax Code, an
 5-49 abatement for a tax or assessment owed to the district.
 5-50 [Sections 3841.164-3841.200 reserved for expansion]
 5-51 SUBCHAPTER E. DISSOLUTION
 5-52 Sec. 3841.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
 5-53 DEBT. (a) The board may dissolve the district regardless of
 5-54 whether the district has debt. Section 375.264, Local Government
 5-55 Code, does not apply to the district.
 5-56 (b) If the district has debt when it is dissolved, the
 5-57 district shall remain in existence solely for the purpose of
 5-58 discharging its debts. The dissolution is effective when all debts
 5-59 have been discharged.
 5-60 SECTION 2. BOUNDARIES. As of the effective date of this
 5-61 Act, the Galveston County Management District No. 1 includes all
 5-62 territory contained in the following described area:
 5-63 BEGINNING at the Southeast corner of ABST 3 PAGE 12 S F AUSTIN SUR TR
 5-64 46, Galveston County, Texas;
 5-65 THENCE South 88° 49' 30" West, along the South line of Tract 46, a
 5-66 distance of 2714.35 feet;
 5-67 THENCE North 01° 12' 20" West a distance of 565.50 feet;
 5-68 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
 5-69 easterly right-of-way of Calder Road;

6-1 THENCE North 01° 12' 20" West a distance of 30 feet along the
6-2 easterly right-of-way of Calder Road;
6-3 THENCE North 88° 50' 15" East, a distance of 746.38 feet;
6-4 THENCE North 01° 12' 20" West a distance of 60 feet;
6-5 THENCE South 88° 50' 15" West, a distance of 746.38 feet to the
6-6 easterly right-of-way of Calder Road;
6-7 THENCE North 0° 55' 20" West a distance of 192.11 feet along the
6-8 easterly right-of-way of Calder Road;
6-9 THENCE North 89° 07' 15" East a distance of 748.10 feet;
6-10 THENCE North 0° 53' 20" West a distance of 250 feet;
6-11 THENCE South 89° 07' 15" West a distance of 750 feet to the easterly
6-12 right-of-way of Calder Road;
6-13 THENCE North 0° 55' 20" West a distance of 70 feet along the easterly
6-14 right-of-way of Calder Road;
6-15 THENCE North 89° 07' 15" East a distance of 1555 feet;
6-16 THENCE North 0° 53' 20" West a distance of 1110 feet;
6-17 THENCE North 89° 33' 07" East a distance of 690 feet to the westerly
6-18 right-of-way of Interstate 45;
6-19 THENCE South 27° 32' 00" East a distance of 1618.16 feet along the
6-20 westerly right-of-way of Interstate 45;
6-21 THENCE Southeasterly along the said right-of-way line of Interstate
6-22 45, being a curve with a Radius of 5877.65 feet, an Arc Length of
6-23 789.38 feet;
6-24 THENCE South 35° 28' 41" East a distance of 483.31 feet along the
6-25 westerly right-of-way of Interstate 45;
6-26 THENCE South 00° 13' 16" West a distance of 77.21 feet back to the
6-27 Place of Beginning and containing approximately 97 acres of land,
6-28 more or less.

6-29 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
6-30 that:

6-31 (1) proper and legal notice of the intention to
6-32 introduce this Act, setting forth the general substance of this
6-33 Act, has been published as provided by law, and the notice and a
6-34 copy of this Act have been furnished to all persons, agencies,
6-35 officials, or entities to which they are required to be furnished by
6-36 the constitution and laws of this state, including the governor,
6-37 who has submitted the notice and Act to the Texas Commission on
6-38 Environmental Quality;

6-39 (2) the Texas Commission on Environmental Quality has
6-40 filed its recommendations relating to this Act with the governor,
6-41 lieutenant governor, and speaker of the house of representatives
6-42 within the required time;

6-43 (3) the general law relating to consent by political
6-44 subdivisions to the creation of districts with conservation,
6-45 reclamation, and road powers and the inclusion of land in those
6-46 districts has been complied with; and

6-47 (4) all requirements of the constitution and laws of
6-48 this state and the rules and procedures of the legislature with
6-49 respect to the notice, introduction, and passage of this Act have
6-50 been fulfilled and accomplished.

6-51 SECTION 4. EFFECTIVE DATE. This Act takes effect
6-52 immediately if it receives a vote of two-thirds of all the members
6-53 elected to each house, as provided by Section 39, Article III, Texas
6-54 Constitution. If this Act does not receive the vote necessary for
6-55 immediate effect, this Act takes effect September 1, 2005.

6-56 * * * * *