

By: Jackson

S.B. No. 1808

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Galveston County Municipal Utility District No. 54; providing authority to impose taxes and assessments 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 8147 to read as follows:

CHAPTER 8147. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 54

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8147.001. 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. 54.

Sec. 8147.002. 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. 8147.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

1       Sec. 8147.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

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

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

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

15              (3) a municipal management district operating under  
16 Chapter 375, Local Government Code; and

17              (4) the purchase, construction, acquisition,  
18 ownership, improvement, maintenance, and operation of the public  
19 works and public improvements authorized for a tax increment  
20 reinvestment zone operating under Chapter 311, Tax Code.

21       Sec. 8147.005. INITIAL DISTRICT TERRITORY. (a) The  
22 district is initially composed of the territory described by  
23 Section 2 of the Act creating this chapter.

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

1           (1) organization, existence, or validity;

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

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

6           (4) legality or operation.

7           Sec. 8147.006. CONSTRUCTION OF CHAPTER. This chapter shall  
8 be liberally construed in conformity with the findings and purposes  
9 set forth in this chapter.

10           [Sections 8147.007-8147.050 reserved for expansion]

11                   SUBCHAPTER B. BOARD OF DIRECTORS

12           Sec. 8147.051. DIRECTORS; TERMS. (a) The district is  
13 governed by a board of five directors.

14           (b) Except as provided by Section 8147.053, directors serve  
15 staggered four-year terms.

16           Sec. 8147.052. ELECTION OF DIRECTORS. On the uniform  
17 election date in May of each even-numbered year, the appropriate  
18 number of directors shall be elected.

19           Sec. 8147.053. INITIAL DIRECTORS. (a) The initial board  
20 consists of:

21                   (1) Shirley McLennan;

22                   (2) Greg Ordeneaux;

23                   (3) Amy Zapletal;

24                   (4) Terri Schoener; and

25                   (5) Scott Bean.

26           (b) The terms of the first three directors named in  
27 Subsection (a) expire on the uniform election date in May of 2006,

1 and the terms of the last two directors named in Subsection (a)  
2 expire on the uniform election date in May of 2008.

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

4 [Sections 8147.054-8147.100 reserved for expansion]

5 SUBCHAPTER C. GENERAL POWERS AND DUTIES

6 Sec. 8147.101. GENERAL POWERS AND DUTIES. The district has  
7 the powers and duties necessary to accomplish the purposes for  
8 which the district is created.

9 Sec. 8147.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
10 DUTIES. The district has the powers and duties provided by the  
11 general law of this state, including Chapters 49 and 54, Water Code,  
12 applicable to municipal utility districts created under Section 59,  
13 Article XVI, Texas Constitution.

14 Sec. 8147.103. MUNICIPAL MANAGEMENT DISTRICT POWERS. The  
15 district has the powers and duties provided by the general law of  
16 this state, including Chapter 375, Local Government Code,  
17 applicable to municipal management districts created under Section  
18 59, Article XVI, Texas Constitution.

19 Sec. 8147.104. TAX INCREMENT REINVESTMENT ZONE. (a) All  
20 or any part of the area of the district is eligible to be included in  
21 a tax increment reinvestment zone created under Chapter 311, Tax  
22 Code.

23 (b) The district may enter into a contract with the board of  
24 directors of a reinvestment zone and the governing body of the city  
25 that provides for the district to manage or assist in managing the  
26 reinvestment zone or to implement or assist in implementing the  
27 reinvestment zone's project plan and reinvestment zone financing

1 plan. The contract may require the district to issue bonds or other  
2 obligations and pledge the contract revenues to the payment of the  
3 bonds or other obligations.

4 Sec. 8147.105. EMINENT DOMAIN. (a) Except as provided by  
5 Subsection (b), the district may exercise the power of eminent  
6 domain as provided by Section 49.222, Water Code.

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

9 [Sections 8147.106-8147.150 reserved for expansion]

10 SUBCHAPTER D. ADDITIONAL ROAD POWERS

11 Sec. 8147.151. ROAD PROJECTS. (a) As authorized by  
12 Section 52, Article III, Texas Constitution, the district may  
13 construct, acquire, improve, maintain, or operate, inside and  
14 outside the district, roads and road facilities as defined by  
15 Chapter 441, Transportation Code.

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

20 (c) The roads and road facilities authorized by this section  
21 must meet all applicable construction standards, zoning and  
22 subdivision requirements, and regulatory ordinances of the city.

23 (d) On completion of a road or road facility authorized by  
24 this section, the district, with the consent of the city, may convey  
25 the road or road facility to the city if the conveyance is free of  
26 all indebtedness of the district. If the city becomes the owner of  
27 a road or road facility, the city is responsible for all future

1 maintenance and upkeep and the district has no further  
2 responsibility for the road or road facility or its maintenance or  
3 upkeep, unless otherwise agreed to by the district and the city.

4 Sec. 8147.152. JOINT ROAD PROJECTS. (a) A district may  
5 contract with a state agency, political subdivision, or corporation  
6 created under Chapter 431, Transportation Code, for a joint road  
7 project.

8 (b) The contract may:

9 (1) provide for joint payment of project costs; and

10 (2) require the state agency, political subdivision,  
11 or corporation to design, construct, or improve a project as  
12 provided by the contract.

13 (c) A contract may be a contract under Section 49.108, Water  
14 Code.

15 Sec. 8147.153. REIMBURSEMENT FOR ROAD PROJECT. (a) The  
16 district may:

17 (1) reimburse a private person for money spent to  
18 construct a road or road facility that is dedicated or otherwise  
19 transferred to public use; or

20 (2) purchase a road or road facility constructed by a  
21 private person.

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

24 (1) include all construction costs, including  
25 engineering, legal, financing, and other expenses incident to the  
26 construction; or

27 (2) be at a price not to exceed the replacement cost of

1 the road or road facility as determined by the board.

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

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

10 [Sections 8147.154-8147.200 reserved for expansion]

11 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

12 Sec. 8147.201. ELECTIONS REGARDING TAXES OR BONDS.

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

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

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

22 (d) The district may issue bonds or other obligations to  
23 finance road projects under Section 52(b)(3), Article III, Texas  
24 Constitution, secured wholly or partly by ad valorem taxation,  
25 impose ad valorem taxes to pay the principal of and interest on the  
26 obligations, and provide a sinking fund for the redemption of the  
27 obligations only if the issuance is approved by a two-thirds

1 majority of the voters of the district voting at an election called  
2 and held for that purpose. The total amount of bonds issued under  
3 this subsection may not exceed one-fourth of the assessed market  
4 value of real property of the district as determined by the chief  
5 appraiser of the appraisal district that appraises property for the  
6 district.

7 Sec. 8147.202. AD VALOREM TAX. (a) If authorized at an  
8 election held under Section 8147.201, the district may impose an  
9 annual ad valorem tax on taxable property in the district for the  
10 provision of services or for the maintenance and operation of the  
11 district, including the construction, acquisition, maintenance,  
12 and operation of improvements.

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

15 Sec. 8147.203. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
16 The district may acquire, construct, finance, operate, or maintain  
17 any improvement or service authorized under this chapter using any  
18 money available to the district.

19 Sec. 8147.204. PETITION REQUIRED FOR FINANCING SERVICES AND  
20 IMPROVEMENTS. (a) The board may not finance a service or  
21 improvement project with assessments under this chapter unless a  
22 written petition requesting that service or improvement has been  
23 filed with the board.

24 (b) A petition requesting a project financed by assessment  
25 must be signed by:

26 (1) the owners of a majority of the assessed value of  
27 real property in the district subject to assessment according to



1 the most recent certified tax appraisal roll for the county; or  
2 (2) at least 50 owners of real property in the district  
3 that will be subject to the assessment, if more than 50 persons own  
4 real property subject to the assessment in the district according  
5 to the most recent certified tax appraisal roll for the county.

6 Sec. 8147.205. METHOD OF NOTICE FOR HEARING. The district  
7 may mail notice of public hearings to property owners subject to  
8 assessment by certified United States mail or an equivalent service  
9 that can provide a record of mailing or other delivery.

10 Sec. 8147.206. ASSESSMENTS; LIENS FOR ASSESSMENTS.

11 (a) The board by resolution may impose and collect an assessment  
12 for any purpose authorized by this chapter in all or any part of the  
13 district.

14 (b) An assessment, a reassessment, or an assessment  
15 resulting from an addition to or correction of the assessment roll  
16 by the district, penalties and interest on an assessment or  
17 reassessment, an expense of collection, and reasonable attorney's  
18 fees incurred by the district:

19 (1) are a first and prior lien against the property  
20 assessed;

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

24 (3) are the personal liability of and a charge against  
25 the owners of the property even if the owners are not named in the  
26 assessment proceedings.

27 (c) The lien is effective from the date of the board's

1 resolution imposing the assessment until the date the assessment is  
2 paid. The board may enforce the lien in the same manner that the  
3 board may enforce an ad valorem tax lien against real property.

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

8 (e) Except as provided by this chapter, Subchapter F,  
9 Chapter 375, Local Government Code, applies to assessments imposed  
10 by the district.

11 Sec. 8147.207. UTILITIES. The district may not impose an  
12 impact fee or assessment on the property, equipment, rights-of-way,  
13 facilities, or improvements of:

14 (1) an electric utility as defined by Section 31.002,  
15 Utilities Code;

16 (2) a gas utility as defined by Section 101.003 or  
17 121.001, Utilities Code;

18 (3) a telecommunications provider as defined by  
19 Section 51.002, Utilities Code; or

20 (4) a cable operator as defined by 47 U.S.C. Section  
21 522, as amended.

22 [Sections 8147.208-8147.250 reserved for expansion]

23 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

24 Sec. 8147.251. AUTHORITY TO ISSUE BONDS AND OTHER  
25 OBLIGATIONS. (a) The district may issue bonds or other  
26 obligations payable wholly or partly from ad valorem taxes, impact  
27 fees, revenue, grants, or other district money, or any combination

1 of those sources, to pay for any authorized district purpose.

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

7 Sec. 8147.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
8 the time bonds or other obligations payable wholly or partly from ad  
9 valorem taxes are issued:

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

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

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

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

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

22 Sec. 8147.253. BONDS FOR CONTRACT COSTS. If the district  
23 enters into a contract under Section 8147.152, the district may  
24 issue bonds to pay all or part of the costs of the joint road project  
25 and any other payments required under the contract.

26 Sec. 8147.254. BONDS PAYABLE FROM REVENUE FROM CERTAIN  
27 CONTRACTS. The district may issue bonds payable wholly or partly

1 from the revenue of a contract authorized by Section 8147.104(b) to  
2 pay for the implementation of the reinvestment zone's project plan  
3 or reinvestment zone financing plan.

4 Sec. 8147.255. AUTHORITY OF TEXAS COMMISSION ON  
5 ENVIRONMENTAL QUALITY OVER ISSUANCE OF DISTRICT BONDS.

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

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

18 (c) Section 49.182, Water Code, does not apply to road and  
19 road facility projects or bonds issued for 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 8147.104(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. 8147.256. 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. 54 initially includes all the territory contained in the  
5 following area:

6 BEING 212.06 acres of land situated in the Alexander Farmer League,  
7 Abstract No. 11, Galveston County, Texas, being out of a called  
8 2,052.761 acre tract of land recorded under Galveston County  
9 Clerk's File Number 2000027987 and a portion of Holland Road  
10 recorded under Volume 1199, Page 407 of the Galveston County Deed  
11 Records, said 212.06 acre tract being more particularly described  
12 by metes and bounds as follows with the basis of bearings being the  
13 Texas State Plane Coordinate System, South Central Zone:

14 BEGINNING at a 5/8-inch iron rod with cap stamped "Hovis Surveying"  
15 found for the most northerly corner of said called 2,052.761 acre  
16 tract, being in the east line of Interurban Gardens, a subdivision  
17 recorded in Volume 223, Page 207 of the Galveston County Map Records  
18 and in the south right-of-way line of Interstate Highway 45 (Width  
19 Varies), from which a found disturbed 5/8-inch iron rod bears S 40°  
20 53' E, 1.22 feet and a found 5/8-inch iron rod bears S 02° 01' E, 6.82  
21 feet;

22 THENCE with the southwesterly right-of-way line of Interstate  
23 Highway 45 (Width Varies) as follows:

24 S 42° 38' 35" E, a distance of 1,594.72 feet to a point for corner and  
25 point of curve;

26 In a southerly direction, 558.46 feet, with the arc of a curve to  
27 the right, having a radius of 533.69 feet, a central angle of 59° 57'

1 19" and chord which bears S 12° 26' 02" E, 533.33 feet to a broken  
2 TxDOT monument found for corner;  
3 S 17° 32' 12" W, a distance of 51.06 feet to a TxDOT monument found  
4 for corner and point of curve, from which a found 5/8-inch iron rod  
5 bears S 73° 23' W, 2.05 feet;  
6 In a southerly direction, 185.89 feet, with the arc of a curve to  
7 the left, having a radius of 423.06 feet, a central angle of 25° 10'  
8 32" and chord which bears S 04° 30' 42" W, 184.40 feet to a TxDOT  
9 monument found for corner, from which a found 5/8-inch iron rod  
10 bears S 89° 02' W, 0.98 feet;  
11 S 07° 34' 27" E, a distance of 35.11 feet to a broken TxDOT monument  
12 found for corner;  
13 S 46° 19' 11" W, a distance of 49.82 feet to a broken TxDOT monument  
14 found for corner from which a found 5/8-inch iron rod bears N 66° 13'  
15 W, 0.70 feet;  
16 S 01° 26' 48" E, a distance of 80.39 feet to a to a TxDOT monument  
17 found for corner;  
18 S 59° 51' 01" E, a distance of 99.95 feet to a TxDOT monument found  
19 for corner;  
20 S 29° 02' 56" E, a distance of 38.17 feet to a TxDOT monument found  
21 for corner and point of curve from which a found 5/8-inch iron rod  
22 bears S 09°48' E, 5.28 feet;  
23 In a southeasterly direction, 480.47 feet, with the arc of a curve  
24 to the left, having a radius of 423.06 feet, a central angle of 65°  
25 04' 17" and chord which bears S 60° 14' 11" E, 455.06 feet to a TxDOT  
26 monument found for a corner, from which a 5/8-inch iron rod bears N  
27 16° 14' W, 3.45 feet;

1 N 87° 26' 16" E, a distance of 291.31 feet to a broken TxDOT monument  
2 found for corner and point of curve;  
3 In a southeasterly direction, 464.90 feet, with the arc of a curve  
4 to the right, having a radius of 533.69 feet, a central angle of 49°  
5 54' 39" and chord which bears S 67° 36' 31" E, 450.34 feet to a  
6 disturbed TxDOT monument found at the end of curve from which a  
7 found 5/8-inch iron rod bears N 08° 38' E, 2.55 feet;  
8 S 42° 40' 24" E, a distance of 4811.23 feet to a TxDOT monument, and a  
9 5/8-inch iron rod with cap stamped "Hovis Surveying" found for  
10 corner;  
11 N 47° 19' 36" E, a distance of 40.00 feet to a 5/8-inch iron rod with  
12 cap stamped "Hovis Surveying" found for corner from which a found  
13 broken TxDOT monument which bears N 53° 47' W, 0.78 feet, and from  
14 which a found broken TxDOT monument bears N 44° 02' W, 5.46 feet;  
15 S 42° 40' 24" E, a distance of 70.00 feet to a 5/8-inch iron rod with  
16 cap stamped "Hovis Surveying" found for corner;  
17 S 47° 19' 36" W, a distance of 40.00 feet to a 5/8-inch iron rod with  
18 cap stamped "Hovis Surveying" found for corner from which a found  
19 TxDOT monument bears N 41° 18' W, 7.38 feet;  
20 S 42° 40' 24" E, a distance of 1,605.85 feet to a point for a corner;  
21 THENCE over and across the said called 2,052.761 acre tract as  
22 follows:  
23       S 47° 19' 36" W, a distance of 1000.00 feet to a point for a  
24 corner;  
25 N 42° 40' 24" W, a distance of 1,804.37 feet to a point in the  
26 southeasterly line of a varied width Galveston County Water Company  
27 Canal as recorded in Volume 821, Page 490 of the Galveston County

1 Deed Records;

2 THENCE along the southeasterly line of the said varied width  
3 Galveston County Water Company Canal as follows:

4 N 66° 22' 36" E, a distance of 459.14 feet to a point for a corner;

5 S 33° 12' 24" E, a distance of 8.80 feet to a point for a corner;

6 N 56° 47' 36" E, a distance of 549.94 feet to a point for a corner;

7 THENCE N 42° 40' 24" W over and across the said varied width  
8 Galveston County Water Company Canal and the said called 2,052.761

9 acre tract, a distance of 1,710.86 feet to a point for a corner;

10 THENCE over and across the said called 2,052.761 acre tract as  
11 follows:

12 S 47° 19' 36" W, a distance of 975.00 feet to a point for a corner;

13 N 42° 40' 24" W, a distance of 2,700.00 feet to a point for a corner;

14 S 88° 01' 49" W, a distance of 1836.03 feet to a point in the east  
15 line of the said Interurban Gardens Subdivision;

16 THENCE N 01° 58' 11" W, along the east lines of the said Interurban  
17 Gardens Subdivision and Holland Road Estates, Section Two as  
18 recorded under Volume 18, Page 442, of the Galveston County Map  
19 Records, a distance of 3,670.00 feet to the POINT OF BEGINNING and  
20 containing 212.06 acres of land.

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



1           (b) The governor, one of the required recipients, has  
2 submitted the notice and Act to the Texas Commission on  
3 Environmental Quality.

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

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

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