

1-1 By: Jackson S.B. No. 1997
1-2 (In the Senate - Filed April 3, 2007; April 10, 2007, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 24, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 April 24, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1997 By: Patrick

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. 65; providing authority to impose a tax 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 8216 to read as follows:

1-16 CHAPTER 8216. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 65

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 8216.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the district's board of directors.

1-20 (2) "Director" means a board member.

1-21 (3) "District" means the Galveston County Municipal
1-22 Utility District No. 65.

1-23 Sec. 8216.002. NATURE OF DISTRICT. (a) The district is a
1-24 municipal utility district created under and essential to
1-25 accomplish the purposes of Section 59, Article XVI, Texas
1-26 Constitution.

1-27 (b) The district, to the extent authorized by Section
1-28 8216.103 and Section 52, Article III, Texas Constitution, has road
1-29 powers.

1-30 Sec. 8216.003. CONFIRMATION ELECTION REQUIRED. The board
1-31 shall hold an election to confirm the creation of the district as
1-32 provided by Section 49.102, Water Code.

1-33 Sec. 8216.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. All
1-34 land and other property in the district will benefit from the
1-35 improvements and services to be provided by the district.

1-36 Sec. 8216.005. INITIAL DISTRICT TERRITORY. (a) The
1-37 district is initially composed of the territory described by
1-38 Section 2 of the Act creating this chapter.

1-39 (b) The boundaries and field notes contained in Section 2 of
1-40 the Act creating this chapter form a closure. A mistake in the
1-41 field notes or in copying the field notes in the legislative process
1-42 does not affect the district's:

1-43 (1) organization, existence, or validity;

1-44 (2) right to issue any type of bond for a purpose for
1-45 which the district is created or to pay the principal of and
1-46 interest on the bond;

1-47 (3) right to impose an assessment or tax; or

1-48 (4) legality or operation.

1-49 [Sections 8216.006-8216.050 reserved for expansion]

1-50 SUBCHAPTER B. BOARD OF DIRECTORS

1-51 Sec. 8216.051. GOVERNING BODY; TERMS. (a) The district is
1-52 governed by a board of five elected directors.

1-53 (b) Directors serve staggered four-year terms.

1-54 Sec. 8216.052. INITIAL DIRECTORS. (a) The initial board
1-55 consists of:

1-56 (1) Kristina Lanningham;

1-57 (2) Cynthia Mesusan;

1-58 (3) Larry M. Flores;

1-59 (4) Richard R. Gumke; and

1-60 (5) Sandra Erickson.

1-61 (b) Unless the initial board agrees otherwise, the initial
1-62 directors shall draw lots to determine which two shall serve until
1-63 the first regularly scheduled election of directors and which three

2-1 shall serve until the second regularly scheduled election of
2-2 directors.

2-3 (c) This section expires September 1, 2014.

2-4 [Sections 8216.053-8216.100 reserved for expansion]

2-5 SUBCHAPTER C. POWERS AND DUTIES

2-6 Sec. 8216.101. GENERAL POWERS AND DUTIES. The district has
2-7 the powers and duties necessary to accomplish the purposes for
2-8 which the district is created.

2-9 Sec. 8216.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-10 DUTIES. The district has the powers and duties provided by the
2-11 general law of this state, including Chapters 49 and 54, Water Code,
2-12 applicable to municipal utility districts created under Section 59,
2-13 Article XVI, Texas Constitution.

2-14 Sec. 8216.103. ROAD PROJECTS. (a) Under Section 52,
2-15 Article III, Texas Constitution, the district may finance,
2-16 construct, or acquire a road project as provided by this section.

2-17 (b) The district shall employ, or contract with, a licensed
2-18 engineer to certify whether a proposed road project meets the
2-19 criteria for a thoroughfare, arterial, or collector road of:

2-20 (1) a county in whose jurisdiction the proposed road
2-21 project is located; or

2-22 (2) a municipality in whose corporate limits or
2-23 extraterritorial jurisdiction the proposed road project is
2-24 located.

2-25 (c) The district may finance, construct, or acquire a road
2-26 that has been certified by the licensed engineer as a thoroughfare,
2-27 arterial, or collector road, or any improvements in aid of the
2-28 certified road.

2-29 (d) A road project must meet all applicable standards,
2-30 regulations, ordinances, or orders of:

2-31 (1) each municipality in whose corporate limits or
2-32 extraterritorial jurisdiction the road project is located; and

2-33 (2) each county in which the road project is located if
2-34 the road project is not located in the corporate limits of a
2-35 municipality.

2-36 (e) The district may, with the consent of the municipality
2-37 or county, convey a completed road project to:

2-38 (1) a municipality in whose corporate limits or
2-39 extraterritorial jurisdiction the road project is located; or

2-40 (2) a county in which the road project is located.

2-41 Sec. 8216.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
2-42 OR RESOLUTION. The district shall comply with all applicable
2-43 requirements of any ordinance or resolution, adopted by the
2-44 governing body of a municipality under Section 54.016, Water Code,
2-45 that consents to the creation of the district or to the inclusion of
2-46 land in the district.

2-47 Sec. 8216.105. NAVIGATION DISTRICT POWERS. (a) The
2-48 district has the powers provided by the general law of this state,
2-49 including Chapters 60 and 62, Water Code, applicable to navigation
2-50 districts created under Section 59, Article XVI, Texas
2-51 Constitution.

2-52 (b) The district may purchase, construct, acquire, own,
2-53 operate, maintain, improve, or extend, inside or outside the
2-54 district, a canal, waterway, bulkhead, dock, or other improvement
2-55 necessary or convenient to accomplish the navigation purposes of
2-56 the district.

2-57 [Sections 8216.106-8216.150 reserved for expansion]

2-58 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-59 Sec. 8216.151. ELECTIONS REGARDING TAXES OR BONDS.
2-60 (a) The district may issue, without an election, bonds and other
2-61 obligations secured by revenue or contract payments from a source
2-62 other than ad valorem taxation.

2-63 (b) The district must hold an election in the manner
2-64 provided by Chapters 49 and 54, Water Code, to obtain voter approval
2-65 before the district may impose an ad valorem tax or issue bonds
2-66 payable from ad valorem taxes.

2-67 (c) The district may not issue bonds payable from ad valorem
2-68 taxes to finance a road project unless the issuance is approved by a
2-69 vote of a two-thirds majority of district voters voting at an

election held for that purpose.

Sec. 8216.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8216.151, the district may impose an operation and maintenance tax on taxable property in the district as provided by Chapter 49.107, Water Code.

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

[Sections 8216.153-8216.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8216.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8216.202. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of a bond, note, or other obligation issued or incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Galveston County.

Sec. 8216.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

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

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

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

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

(C) pay the expenses of imposing the taxes.

SECTION 2. The Galveston County Municipal Utility District No. 65 initially includes all the territory contained in the following area:

A tract of land containing 492.662 acres out of the B.B.B. & C.R.R. Survey, Abstract No. 629, and the J.S. Jones Survey, Abstract No. 129, Galveston County, Texas, being comprised of a 273.547 acre tract (Tract "A"), and a 219.115 acre tract (Tract "B"), said 273.547 acre tract (Tract "A") being the remainder of that certain 376.289 acre tract described in deed dated May 17, 1924, from Susie C. Robinson to Horace L. Thompson recorded in Volume 357, Page 470 of the Deed Records of Galveston County (D.R.G.C.), said 219.115 acre tract (Tract "B") being the remainder of a 135.085 acre tract also described in the abovementioned deed, and the remainder of a 97.73 acre tract and a 21.2 acre tract described in deed dated April 20, 1926, from E.J. Condon to E.E. Townes recorded in Volume 381, Page 605 of the D.R.G.C., the remainder of a 5.0 acre tract described in deed dated January 4, 1926, from E.J. Condon to E.E. Townes, recorded in Volume 381, Page 167 of the D.R.G.C., the remainder of a 10.16 acre tract described in deed dated January 12, 1926, from E.J. Condon to E.E. Townes, recorded in Volume 495, Page 38 of the D.R.G.C. and being the same 10.16 acre tract dated January 12, 1926, described in deed from J.D. Taryer to E.E. Townes, recorded in Volume 381, Page 161 of the D.R.G.C., said Tract "A" and Tract "B" being more particularly described by metes and bounds as follows: (All bearings are based on the Texas Coordinate System, South Central Zone, NAD 83 (CORS96) as established by GPS observations from continuously operating reference stations COH 3, TS11 and TXLM)

273.547 ACRES (TRACT "A") BEGINNING at a 3/8-inch iron rod found at the intersection of the line dividing the east and west halves of the J.S. Jones Survey, Abstract No. 129, and the north right-of-way line of F.M. 517 (80 feet wide) formerly known as the Dickinson-San Leon County Road, being the southwest corner of that certain 135.1988 acre tract

4-1 referred to as "Tract No. 1" in deed to Dickinson Land, L.L.C., as
4-2 recorded under County Clerk's File No. 9963052 of the Official
4-3 Public Records of Real Property of Galveston County
4-4 (O.P.R.R.P.G.C.), and also being the southeast corner of the herein
4-5 described 273.547 acre tract (Tract "A");
4-6 THENCE South 77° 37' 57" West, 2511.18 feet along said north
4-7 right-of-way line to a 5/8-inch iron rod with cap set at the
4-8 southwest corner of the herein described 273.547 acre tract (Tract
4-9 "A"), same being the southeast corner of that certain 21.2440 acre
4-10 tract referred to as "Tract 2" in deed to E. Hopmann, as recorded
4-11 under County Clerk's File No. 2000012494 of the O.P.R.R.P.G.C.;
4-12 THENCE North 02° 06' 25" West, 1,880.12 feet along the common
4-13 boundary line of said 21.2440 acre tract and said 273.547 acre tract
4-14 (Tract "A") to a 5/8-inch iron rod with cap set at a westerly corner
4-15 of the herein described tract;
4-16 THENCE North 01° 54' 40" West, 3,160.60 feet continuing along said
4-17 common boundary line to a 5/8-inch iron rod with cap set at the
4-18 northwest corner of the herein described 273.547 acre tract (Tract
4-19 "A"), and also being an interior corner of said 21.440 acre tract;
4-20 THENCE North 87° 45' 18" East, 431.29 feet along the common line of
4-21 said 21.2440 acre tract to a 1-1/2-inch iron pipe found at a
4-22 northerly corner of the herein described 273.547 acre tract (Tract
4-23 "A"), and the southwest corner of that certain 1.004 acre tract
4-24 conveyed by deed to Ngyen Thanh Toan, as recorded under County
4-25 Clerk's File No. 8741146 of the O.P.R.R.P.G.C.;
4-26 THENCE North 87° 37' 54" East, 2,036.78 feet along the north line of
4-27 said 273.547 acre tract (Tract "A") and with the south line of said
4-28 Ngyen Thanh Toan 1.004 acre tract, the Phillip R. Baldwin tract, and
4-29 a 1.004 acre tract conveyed to Phuc Huu Luu, recorded under County
4-30 Clerk's File No. 8741132 of the O.P.R.R.P.G.C., and another 1.004
4-31 acre tract conveyed to Dickinson Independent School District,
4-32 Trustee, as recorded under County Clerk's File No. 2002059673 of
4-33 the O.P.R.R.P.G.C., and a 1.007 acre tract conveyed to Ba Van To, as
4-34 recorded under County Clerk's File No. 8741137 of the
4-35 O.P.R.R.P.G.C., to a 1-inch iron pipe found at the northwest corner
4-36 of the herein described tract, lying in the west line of the
4-37 aforementioned 135.1988 acre tract;
4-38 THENCE South 02° 00' 35" East, 4,603.74 feet with the common
4-39 boundary line of said 135.1988 acre tract and the herein described
4-40 273.547 acre tract (Tract "A") to the POINT OF BEGINNING,
4-41 containing 273.547 acres (11,915,712 square feet) of land.
4-42 219.115 ACRES (TRACT "B")
4-43 BEGINNING at a 3/8-inch iron rod found at the intersection of the
4-44 line dividing the east and west halves of the J.S. Jones Survey,
4-45 Abstract No. 129, and the south right-of-way line of F.M. 517 (80
4-46 feet wide), formerly known as the Dickinson-San Leon County Road,
4-47 being the northwest corner of that certain 183.5474 acre tract
4-48 referred to as "Tract No. 2" in deed to Dickinson Land, L.L.C., as
4-49 recorded under County Clerk's File No. 9963052 of the Official
4-50 Public Records of Real Property of Galveston County
4-51 (O.P.R.R.P.G.C.), and also being the northeast corner of the herein
4-52 described 219.115 acre tract (Tract "B");
4-53 South 02° 00' 35" East, at 5,101.97 feet passing a 5/8-inch iron rod
4-54 with cap set for reference and continuing for a total distance of
4-55 5,551.97 feet with said dividing line and with the common boundary
4-56 line of said 183.5474 acre tract and the herein described 219.115
4-57 acre tract (Tract "B") to the northerly limits of Dickinson Bayou,
4-58 being the southeast corner of the herein described tract;
4-59 THENCE with the northerly limits and meanders of Dickinson Bayou
4-60 the following courses and distances:
4-61 North 62° 44' 29" West, 79.11 feet to a point;
4-62 North 63° 27' 23" West, 165.55 feet to a point;
4-63 North 48° 29' 22" West, 190.58 feet to a point;
4-64 North 59° 25' 13" West, 225.23 feet to a point;
4-65 North 34° 53' 24" East, 79.20 feet to a point;
4-66 North 57° 14' 47" East, 71.51 feet to a point;
4-67 North 19° 46' 01" East, 93.53 feet to a point;
4-68 North 65° 03' 09" East, 69.38 feet to a point;
4-69 North 54° 57' 59" West, 62.70 feet to a point;

5-1 North 35° 06' 22" West, 52.61 feet to a point;
 5-2 North 05° 29' 53" West, 48.90 feet to a point;
 5-3 South 55° 51' 23" West, 132.54 feet to a point;
 5-4 South 69° 08' 52" West, 77.06 feet to a point;
 5-5 South 87° 34' 12" West, 90.14 feet to a point;
 5-6 North 63° 18' 31" West, 122.00 feet to a point;
 5-7 North 52° 37' 21" West, 53.95 feet to a point;
 5-8 North 39° 00' 14" West, 124.84 feet to a point;
 5-9 North 37° 00' 46" West, 140.12 feet to a point;
 5-10 North 28° 48' 25" West, 183.17 feet to a point;
 5-11 North 68° 50' 42" West, 80.53 feet to a point;
 5-12 South 83° 18' 14" West, 101.23 feet to a point;
 5-13 North 52° 58' 46" West, 52.37 feet to a point;
 5-14 North 10° 46' 01" East, 1.52 feet to a point;
 5-15 North 66° 34' 38" West, 20.30 feet to a point;
 5-16 North 62° 44' 20" West, 19.38 feet to a point;
 5-17 North 17° 03' 37" West, 14.90 feet to a point;
 5-18 North 31° 14' 44" West, 91.10 feet to a point;
 5-19 North 29° 18' 07" West, 111.23 feet to a point;
 5-20 North 32° 18' 17" West, 119.46 feet to a point;
 5-21 North 36° 31' 30" West, 72.43 feet to a point;
 5-22 North 35° 11' 13" West, 50.78 feet to a point;
 5-23 North 42° 30' 53" West, 93.57 feet to a point;
 5-24 South 86° 45' 52" West, 11.31 feet to a point;
 5-25 North 43° 04' 08" West, 36.11 feet to a point;
 5-26 North 11° 50' 44" East, 14.29 feet to a point;
 5-27 North 37° 07' 31" West, 54.21 feet to a point;
 5-28 North 53° 28' 37" West, 94.53 feet to a point;
 5-29 North 52° 30' 59" West, 61.18 feet to a point;
 5-30 North 86° 47' 20" West, 33.94 feet to a point;
 5-31 North 80° 35' 23" West, 16.67 feet to a point;
 5-32 North 38° 12' 29" West, 18.66 feet to a point;
 5-33 North 79° 25' 31" West, 31.83 feet to a point;
 5-34 South 26° 43' 00" West, 14.77 feet to a point;
 5-35 South 74° 59' 14" West, 14.75 feet to a point;
 5-36 North 75° 53' 07" West, 49.46 feet to a point;
 5-37 North 40° 42' 38" West, 20.62 feet to a point;
 5-38 North 77° 34' 11" West, 76.16 feet to a point;
 5-39 North 71° 38' 03" West, 86.16 feet to a point;
 5-40 North 61° 51' 10" West, 86.94 feet to a point;
 5-41 North 51° 55' 57" West, 56.28 feet to a point;
 5-42 North 42° 04' 45" West, 49.09 feet to a point;
 5-43 North 51° 50' 00" West, 52.83 feet to a point;
 5-44 North 79° 27' 09" West, 60.68 feet to a point;
 5-45 South 71° 25' 59" West, 54.76 feet to a point;
 5-46 South 67° 11' 09" West, 70.30 feet to the southwest corner of the
 5-47 herein described 219.599 acre tract (Tract "B"), same being the
 5-48 southeast corner of that certain 59.804 acre tract conveyed by deed
 5-49 to 517 Bayou, L.L.C., as recorded under County Clerk's File No.
 5-50 2004054781 of the O.P.R.R.P.G.C.;
 5-51 North 02° 04' 55" West along the common boundary line of said 59.804
 5-52 acre tract and said 219.115 acre tract (Tract "B"), at 16.09 feet
 5-53 passing a found 5/8-inch iron rod, and continuing for a total
 5-54 distance of 1,800.16 feet to a 5/8-inch iron rod found at a westerly
 5-55 corner of the herein described 219.115 acre tract (Tract "B"), same
 5-56 being the southwest corner of that certain 5.0 acre tract conveyed
 5-57 by deed to Community Public Service Company, as recorded in Volume
 5-58 1651, Page 679 of the Deed Records of Galveston County (D.R.G.C.);
 5-59 North 87° 55' 16" East, 657.60 feet to a 5/8-inch iron rod with cap
 5-60 set at a westerly interior corner of the herein described 219.115
 5-61 acre tract (Tract "B") and at the southeast corner of said 5.0 acre
 5-62 tract;
 5-63 North 02° 04' 44" West, 1,383.28 feet with the east boundary line of
 5-64 said 5.0 acre tract to a 5/8-inch iron rod with cap set in the south
 5-65 right-of-way line of the aforementioned F.M. 517, being the
 5-66 northwest corner of the herein described 219.115 acre tract (Tract
 5-67 "B") and the northeast corner of a tract of land conveyed by deed to
 5-68 Robert P. McGuire, as recorded under County Clerk's File No.
 5-69 2000044076 of the O.P.R.R.P.G.C.;

6-1 North 77° 42' 17" East, 1,875.03 feet along said south right-of-way
6-2 line to the POINT OF BEGINNING, containing 219.115 acres (9,544,630
6-3 square feet) of land.

6-4 SECTION 3. (a) The legal notice of the intention to
6-5 introduce this Act, setting forth the general substance of this
6-6 Act, has been published as provided by law, and the notice and a
6-7 copy of this Act have been furnished to all persons, agencies,
6-8 officials, or entities to which they are required to be furnished
6-9 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-10 Government Code.

6-11 (b) The governor, one of the required recipients, has
6-12 submitted the notice and Act to the Texas Commission on
6-13 Environmental Quality.

6-14 (c) The Texas Commission on Environmental Quality has filed
6-15 its recommendations relating to this Act with the governor, the
6-16 lieutenant governor, and the speaker of the house of
6-17 representatives within the required time.

6-18 (d) All requirements of the constitution and laws of this
6-19 state and the rules and procedures of the legislature with respect
6-20 to the notice, introduction, and passage of this Act are fulfilled
6-21 and accomplished.

6-22 SECTION 4. This Act takes effect immediately if it receives
6-23 a vote of two-thirds of all the members elected to each house, as
6-24 provided by Section 39, Article III, Texas Constitution. If this
6-25 Act does not receive the vote necessary for immediate effect, this
6-26 Act takes effect September 1, 2007.

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6-27