

1-1 By: Jackson S.B. No. 1999
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; May 3, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 3, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1999 By: Nichols

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

1-10 relating to the creation of the NASA Area Management District;
1-11 providing authority to impose an assessment, impose a sales and use
1-12 tax, and issue bonds.

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

1-14 SECTION 1. LEGISLATIVE FINDINGS. (a) The legislature
1-15 finds that the development or redevelopment in the area in the
1-16 proposed NASA Area Management District would not occur solely
1-17 through private investment in the reasonably foreseeable future.

1-18 (b) The legislature further finds that the conditions in the
1-19 area of the proposed NASA Area Management District substantially
1-20 arrest or impair the sound growth of the City of Nassau Bay, are an
1-21 economic or social liability, and present a menace to the public
1-22 health, safety, morals, or welfare because of the presence of:

1-23 (1) a substantial number of substandard, slum,
1-24 deteriorated, or deteriorating structures;

1-25 (2) the predominance of defective or inadequate
1-26 sidewalk or street layout;

1-27 (3) faulty lot layout in relation to size, adequacy,
1-28 accessibility, or usefulness;

1-29 (4) unsanitary or unsafe conditions;

1-30 (5) the deterioration of improvements;

1-31 (6) tax or special assessment delinquency exceeding
1-32 the fair value of the land;

1-33 (7) defective or unusual conditions of title; and

1-34 (8) conditions that endanger life or property by fire
1-35 or other cause.

1-36 SECTION 2. NASA AREA MANAGEMENT DISTRICT. Subtitle C,
1-37 Title 4, Special District Local Laws Code, is amended by adding
1-38 Chapter 3842 to read as follows:

1-39 CHAPTER 3842. NASA AREA MANAGEMENT DISTRICT

1-40 SUBCHAPTER A. GENERAL PROVISIONS

1-41 Sec. 3842.001. DEFINITIONS. In this chapter:

1-42 (1) "Board" means the board of directors of the
1-43 district.

1-44 (2) "District" means the NASA Area Management
1-45 District.

1-46 Sec. 3842.002. NASA AREA MANAGEMENT DISTRICT. The district
1-47 is a special district created under Section 59, Article XVI, Texas
1-48 Constitution.

1-49 Sec. 3842.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-50 creation of the district is essential to accomplish the purposes of
1-51 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-52 Texas Constitution, and other public purposes stated in this
1-53 chapter. By creating the district and in authorizing the City of
1-54 Nassau Bay, Harris County, and other political subdivisions to
1-55 contract with the district, the legislature has established a
1-56 program to accomplish the public purposes set out in Section 52-a,
1-57 Article III, Texas Constitution.

1-58 (b) The creation of the district is necessary to promote,
1-59 develop, encourage, and maintain employment, commerce,
1-60 transportation, housing, tourism, recreation, the arts,
1-61 entertainment, economic development, safety, and the public
1-62 welfare in the district territory.

1-63 (c) This chapter and the creation of the district may not be

2-1 interpreted to relieve Harris County or the City of Nassau Bay from
2-2 providing the level of services provided, as of the effective date
2-3 of the Act enacting this chapter, to the area in the district. The
2-4 district is created to supplement and not to supplant the county or
2-5 city services provided in the area in the district.

2-6 Sec. 3842.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2-7 (a) The district is created to serve a public use and benefit.
2-8 (b) All land and other property included in the district
2-9 will benefit from the improvements and services to be provided by
2-10 the district under powers conferred by Sections 52 and 52-a,
2-11 Article III, and Section 59, Article XVI, Texas Constitution, and
2-12 other powers granted under this chapter.

2-13 (c) The creation of the district is in the public interest
2-14 and is essential to:

2-15 (1) further the public purposes of developing and
2-16 diversifying the economy of the state;

2-17 (2) eliminate unemployment and underemployment; and

2-18 (3) develop or expand transportation and commerce.

2-19 (d) The district will:

2-20 (1) promote the health, safety, and general welfare of
2-21 residents, employers, potential employees, employees, visitors,
2-22 and consumers in the district, and of the public;

2-23 (2) provide needed funding for the district to
2-24 preserve, maintain, and enhance the economic health and vitality of
2-25 the district territory as a community and business center; and

2-26 (3) promote the health, safety, welfare, and enjoyment
2-27 of the public by providing pedestrian ways and by landscaping and
2-28 developing certain areas in the district, which are necessary for
2-29 the restoration, preservation, and enhancement of scenic beauty.

2-30 (e) Pedestrian ways along or across a street, whether at
2-31 grade or above or below the surface, and street lighting, street
2-32 landscaping, parking, and street art objects are parts of and
2-33 necessary components of a street and are considered to be a street
2-34 or road improvement.

2-35 (f) The district will not act as the agent or
2-36 instrumentality of any private interest even though the district
2-37 will benefit many private interests as well as the public.

2-38 Sec. 3842.005. DISTRICT TERRITORY. (a) The district is
2-39 composed of the territory described by Section 3 of the Act enacting
2-40 this chapter, as that territory may have been modified under:

2-41 (1) Subchapter J, Chapter 49, Water Code;

2-42 (2) Section 3842.108; or

2-43 (3) other law.

2-44 (b) The boundaries and field notes of the district contained
2-45 in Section 3 of the Act enacting this chapter form a closure. A
2-46 mistake in the field notes or in copying the field notes in the
2-47 legislative process does not in any way affect the district's:

2-48 (1) organization, existence, or validity;

2-49 (2) right to issue any type of bond for a purpose for
2-50 which the district is created or to pay the principal of and
2-51 interest on the bond;

2-52 (3) right to impose or collect an assessment or a sales
2-53 and use tax; or

2-54 (4) legality or operation.

2-55 Sec. 3842.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-56 All or any part of the area of the district is eligible, regardless
2-57 of other statutory criteria, to be included in:

2-58 (1) a tax increment reinvestment zone created by the
2-59 City of Nassau Bay or another governmental entity under Chapter
2-60 311, Tax Code;

2-61 (2) a tax abatement reinvestment zone created by the
2-62 City of Nassau Bay or another governmental entity under Chapter
2-63 312, Tax Code; or

2-64 (3) an enterprise zone created by the City of Nassau
2-65 Bay or another governmental entity under Chapter 2303, Government
2-66 Code.

2-67 Sec. 3842.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-68 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-69 Chapter 375, Local Government Code, applies to the district.

3-1 Sec. 3842.008. LIBERAL CONSTRUCTION OF CHAPTER. This
3-2 chapter shall be liberally construed in conformity with the
3-3 findings and purposes stated in this chapter.

3-4 [Sections 3842.009-3842.050 reserved for expansion]

3-5 SUBCHAPTER B. BOARD OF DIRECTORS

3-6 Sec. 3842.051. COMPOSITION; TERMS. (a) The district is
3-7 governed by a board of seven voting directors who serve staggered
3-8 terms of four years, with three or four directors' terms expiring
3-9 June 1 of each odd-numbered year.

3-10 (b) The governing body of the City of Nassau Bay may change
3-11 the number of voting directors on the board. The board may not
3-12 consist of fewer than five or more than 15 voting directors.

3-13 Sec. 3842.052. APPOINTMENT OF DIRECTORS. (a) The mayor
3-14 and members of the governing body of the City of Nassau Bay shall
3-15 appoint voting directors. A person is appointed if a majority of
3-16 the members of the governing body, including the mayor, vote to
3-17 appoint that person.

3-18 (b) Section 375.063, Local Government Code, does not apply
3-19 to the district.

3-20 Sec. 3842.053. NONVOTING DIRECTORS. (a) The following
3-21 persons serve as nonvoting directors:

3-22 (1) the presiding officer of the City of Nassau Bay's
3-23 planning and zoning commission;

3-24 (2) the City of Nassau Bay's director of public works;
3-25 and

3-26 (3) the City of Nassau Bay's chief of police.

3-27 (b) If a department described by Subsection (a) is
3-28 consolidated, renamed, or changed, the board may appoint a director
3-29 of the consolidated, renamed, or changed department as a nonvoting
3-30 director. If a department described by Subsection (a) is
3-31 abolished, the board may appoint a representative of another
3-32 department that performs duties comparable to those performed by
3-33 the abolished department.

3-34 (c) The board may appoint other nonvoting directors to serve
3-35 at the pleasure of the voting directors.

3-36 Sec. 3842.054. QUORUM. For purposes of determining whether
3-37 a quorum of the board is present, the following are not counted:

3-38 (1) a board position vacant for any reason, including
3-39 death, resignation, or disqualification;

3-40 (2) a director who is abstaining from participation in
3-41 a vote because of a conflict of interest; or

3-42 (3) a nonvoting director.

3-43 Sec. 3842.055. INITIAL VOTING DIRECTORS. (a) The mayor
3-44 and members of the governing body of the City of Nassau Bay shall
3-45 appoint the initial seven voting directors by position.

3-46 (b) Of the initial voting directors, the terms of directors
3-47 appointed for positions 1 through 4 expire June 1, 2009, and the
3-48 terms of directors appointed for positions 5 through 7 expire June
3-49 1, 2011.

3-50 (c) This section expires September 1, 2012.

3-51 [Sections 3842.056-3842.100 reserved for expansion]

3-52 SUBCHAPTER C. POWERS AND DUTIES

3-53 Sec. 3842.101. ADDITIONAL POWERS OF DISTRICT. The district
3-54 may exercise the powers given to:

3-55 (1) a corporation under Section 4B, Development
3-56 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
3-57 Statutes), including the power to own, operate, acquire, construct,
3-58 lease, improve, or maintain a project described by that section;
3-59 and

3-60 (2) a housing finance corporation under Chapter 394,
3-61 Local Government Code, to provide housing or residential
3-62 development projects in the district.

3-63 Sec. 3842.102. NONPROFIT CORPORATION. (a) The board by
3-64 resolution may authorize the creation of a nonprofit corporation to
3-65 assist and act for the district in implementing a project or
3-66 providing a service authorized by this chapter.

3-67 (b) The nonprofit corporation:

3-68 (1) has each power of and is considered for purposes of
3-69 this chapter to be a local government corporation created under

4-1 Chapter 431, Transportation Code; and
 4-2 (2) may implement any project and provide any service
 4-3 authorized by this chapter.
 4-4 (c) The board shall appoint the board of directors of the
 4-5 nonprofit corporation. A director of the corporation is not
 4-6 required to reside in the district.
 4-7 (d) The board of directors of the nonprofit corporation
 4-8 shall serve in the same manner as the board of directors of a local
 4-9 government corporation created under Chapter 431, Transportation
 4-10 Code.
 4-11 Sec. 3842.103. AGREEMENTS; GRANTS. (a) The district may
 4-12 make an agreement with or accept a gift, grant, or loan from any
 4-13 person.
 4-14 (b) The implementation of a project is a governmental
 4-15 function or service for the purposes of Chapter 791, Government
 4-16 Code.
 4-17 Sec. 3842.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.
 4-18 To protect the public interest, the district may contract with a
 4-19 qualified provider, including Harris County or the City of Nassau
 4-20 Bay, to provide law enforcement services in the district for a fee.
 4-21 Sec. 3842.105. APPROVAL BY CITY OF NASSAU BAY. (a) Except
 4-22 as provided by Subsection (c), the district must obtain the
 4-23 approval of the City of Nassau Bay for:
 4-24 (1) the issuance of bonds for an improvement project;
 4-25 (2) the imposition of a sales and use tax;
 4-26 (3) the plans and specifications of an improvement
 4-27 project financed by the bonds; and
 4-28 (4) the plans and specifications of an improvement
 4-29 project related to the use of land owned by the City of Nassau Bay,
 4-30 an easement granted by the City of Nassau Bay, or a right-of-way of
 4-31 a street, road, or highway.
 4-32 (b) The approval obtained under Subsection (a)(1) or (2)
 4-33 must be a resolution or ordinance of the governing body of the City
 4-34 of Nassau Bay. The approval obtained under Subsection (a)(3) or (4)
 4-35 may be by an administrative process that does not involve the city's
 4-36 governing body.
 4-37 (c) If the district obtains the approval of the City of
 4-38 Nassau Bay's governing body of a capital improvements budget for a
 4-39 period not to exceed five years, the district may finance the
 4-40 capital improvements and issue bonds specified in the budget
 4-41 without further approval from the City of Nassau Bay.
 4-42 (d) The City of Nassau Bay and the district may agree on
 4-43 conditions for obtaining the approval of the city under this
 4-44 section, including an agreement for the approval of a sales and use
 4-45 tax that requires the district to abolish or decrease the rate of
 4-46 the tax if the rate, when combined with other local sales and use
 4-47 taxes, results in a combined tax rate that exceeds the maximum rate
 4-48 under Section 321.101(f), Tax Code, at any location in the
 4-49 district.
 4-50 Sec. 3842.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 4-51 district may join and pay dues to an organization that:
 4-52 (1) is exempt from the payment of federal income taxes
 4-53 under Section 501(a), Internal Revenue Code of 1986, by being
 4-54 listed as an exempt organization under Section 501(c)(3), (4), or
 4-55 (6), Internal Revenue Code of 1986; and
 4-56 (2) performs a service or provides an activity
 4-57 consistent with the furtherance of a district purpose.
 4-58 Sec. 3842.107. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER
 4-59 POWERS RELATED TO PLANNING AND DEVELOPMENT. (a) The district may
 4-60 establish and provide for the administration of one or more
 4-61 programs to promote state or local economic development and to
 4-62 stimulate business and commercial activity in the district,
 4-63 including programs to:
 4-64 (1) make loans and grants of public money; and
 4-65 (2) provide district personnel and services.
 4-66 (b) The district has all of the powers of a municipality
 4-67 under Chapter 380, Local Government Code.
 4-68 Sec. 3842.108. ANNEXATION. In addition to the authority to
 4-69 annex territory under Subchapter J, Chapter 49, Water Code, the

5-1 district may by board resolution annex territory located in the
5-2 City of Nassau Bay if the city's governing body by ordinance or
5-3 resolution consents to the annexation.

5-4 Sec. 3842.109. NO EMINENT DOMAIN. The district may not
5-5 exercise the power of eminent domain.

5-6 [Sections 3842.110-3842.150 reserved for expansion]

5-7 SUBCHAPTER D. FINANCIAL PROVISIONS

5-8 Sec. 3842.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
5-9 board by resolution shall establish the number of directors'
5-10 signatures and the procedure required for a disbursement or
5-11 transfer of the district's money.

5-12 Sec. 3842.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
5-13 The district may acquire, construct, finance, operate, or maintain
5-14 any improvement or service authorized under this chapter or Chapter
5-15 375, Local Government Code, using any money available to the
5-16 district.

5-17 Sec. 3842.153. PETITION REQUIRED FOR FINANCING SERVICES AND
5-18 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
5-19 service or improvement project with assessments under this chapter
5-20 unless a written petition requesting that service or improvement
5-21 has been filed with the board.

5-22 (b) A petition filed under Subsection (a) must be signed by:

5-23 (1) the owners of a majority of the assessed value of
5-24 real property in the district subject to assessment according to
5-25 the most recent certified tax appraisal roll for Harris County;

5-26 (2) at least 25 persons who own real property in the
5-27 district, if more than 25 persons own real property in the district
5-28 according to the most recent certified tax appraisal roll for
5-29 Harris County;

5-30 (3) the owners of a majority of the surface area of
5-31 real property in the district subject to assessment as determined
5-32 by the board; or

5-33 (4) the owners of a majority of the number of platted
5-34 lots of real property subject to assessment as determined by the
5-35 board.

5-36 Sec. 3842.154. METHOD OF NOTICE FOR HEARING. The district
5-37 may mail the notice required by Section 375.115(c), Local
5-38 Government Code, by certified United States mail or an equivalent
5-39 service that can provide a record of mailing or other delivery.

5-40 Sec. 3842.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.
5-41 (a) The board by resolution may impose and collect an assessment
5-42 for any purpose authorized by this chapter in all or any part of the
5-43 district.

5-44 (b) An assessment, a reassessment, or an assessment
5-45 resulting from an addition to or correction of the assessment roll
5-46 by the district, penalties and interest on an assessment or
5-47 reassessment, an expense of collection, and reasonable attorney's
5-48 fees incurred by the district:

5-49 (1) are a first and prior lien against the property
5-50 assessed;

5-51 (2) are superior to any other lien or claim other than
5-52 a lien or claim for county, school district, or municipal ad valorem
5-53 taxes; and

5-54 (3) are the personal liability of and a charge against
5-55 the owners of the property even if the owners are not named in the
5-56 assessment proceedings.

5-57 (c) The lien is effective from the date of the board's
5-58 resolution imposing the assessment until the date the assessment is
5-59 paid. The board may enforce the lien in the same manner that an ad
5-60 valorem tax lien against real property is enforced.

5-61 (d) The board may make a correction to or deletion from the
5-62 assessment roll that does not increase the amount of assessment of
5-63 any parcel of land without providing notice and holding a hearing in
5-64 the manner required for additional assessments.

5-65 Sec. 3842.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
5-66 ASSESSMENTS. The district may not impose an impact fee or
5-67 assessment on the property, including the equipment,
5-68 rights-of-way, facilities, or improvements, of:

5-69 (1) an electric utility or a power generation company

6-1 as defined by Section 31.002, Utilities Code;

6-2 (2) a gas utility as defined by Section 101.003 or
6-3 121.001, Utilities Code;

6-4 (3) a telecommunications provider as defined by
6-5 Section 51.002, Utilities Code; or

6-6 (4) a person who provides to the public cable
6-7 television or advanced telecommunications services.

6-8 Sec. 3842.157. BONDS AND OTHER OBLIGATIONS. (a) The
6-9 district may issue by competitive bid or negotiated sale bonds or
6-10 other obligations payable wholly or partly from taxes, assessments,
6-11 impact fees, revenue, grants, or other money of the district, or any
6-12 combination of those sources of money, to pay for any authorized
6-13 purpose of the district.

6-14 (b) Section 375.243, Local Government Code, does not apply
6-15 to the district.

6-16 (c) The limitation on the outstanding principal amount of
6-17 bonds, notes, and other obligations provided by Section 49.4645(a),
6-18 Water Code, does not apply to the district.

6-19 Sec. 3842.158. CITY NOT REQUIRED TO PAY DISTRICT
6-20 OBLIGATIONS. Except as provided by Section 375.263, Local
6-21 Government Code, the City of Nassau Bay is not required to pay a
6-22 bond, note, or other obligation of the district.

6-23 Sec. 3842.159. COMPETITIVE BIDDING. Section 375.221, Local
6-24 Government Code, applies to the district only for a contract that
6-25 has a value greater than \$50,000.

6-26 Sec. 3842.160. TAX AND ASSESSMENT ABATEMENTS. The district
6-27 may grant in the manner authorized by Chapter 312, Tax Code, an
6-28 abatement for a tax or assessment owed to the district.

6-29 Sec. 3842.161. TAX INCREMENT FINANCING POWERS. (a) The
6-30 district may designate all or any part of the district as a tax
6-31 increment reinvestment zone, and the district may use tax increment
6-32 financing under Chapter 311, Tax Code, in the manner provided by
6-33 that chapter for a municipality, except as modified by this
6-34 section.

6-35 (b) The district has all powers provided under Chapter 311,
6-36 Tax Code.

6-37 (c) The district and an overlapping taxing unit may enter
6-38 into an interlocal agreement for the payment of all or a portion of
6-39 the tax increment of the unit to the district.

6-40 (d) For the purpose of tax increment financing under this
6-41 section, the board functions as the board of directors of the
6-42 reinvestment zone. Section 311.009, Tax Code, does not apply to the
6-43 district.

6-44 [Sections 3842.162-3842.200 reserved for expansion]

6-45 SUBCHAPTER E. SALES AND USE TAX

6-46 Sec. 3842.201. MEANINGS OF WORDS AND PHRASES. Words and
6-47 phrases used in this subchapter that are defined by Chapters 151 and
6-48 321, Tax Code, have the meanings assigned by Chapters 151 and 321,
6-49 Tax Code.

6-50 Sec. 3842.202. APPLICABILITY OF CERTAIN TAX CODE
6-51 PROVISIONS. (a) Except as otherwise provided by this subchapter,
6-52 Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code,
6-53 apply to taxes imposed under this subchapter and to the
6-54 administration and enforcement of those taxes in the same manner
6-55 that those laws apply to state taxes.

6-56 (b) Chapter 321, Tax Code, relating to municipal sales and
6-57 use taxes applies to the application, collection, change, and
6-58 administration of a sales and use tax imposed under this subchapter
6-59 to the extent consistent with this chapter, as if references in
6-60 Chapter 321, Tax Code, to a municipality referred to the district
6-61 and references to a governing body referred to the board.

6-62 (c) Sections 321.106, 321.401, 321.402, 321.403, 321.404,
6-63 321.406, 321.409, 321.506, 321.507, and 321.508, Tax Code, do not
6-64 apply to a tax imposed under this subchapter.

6-65 Sec. 3842.203. AUTHORIZATION. The district may adopt a
6-66 sales and use tax for the benefit of the district. The board is not
6-67 required to call an election to adopt the tax.

6-68 Sec. 3842.204. ABOLISHING SALES AND USE TAX. (a) Except
6-69 as provided in Subsection (b), the board, with the consent of the

7-1 governing body of the City of Nassau Bay, may abolish the sales and
7-2 use tax without an election.

7-3 (b) The board may not abolish the sales and use tax if the
7-4 district has outstanding debt secured by the tax.

7-5 Sec. 3842.205. SALES AND USE TAX RATE. (a) On adoption of
7-6 the tax authorized by this subchapter, there is imposed a tax at the
7-7 rate authorized by the district on the receipts from the sale at
7-8 retail of taxable items within the district, and an excise tax on
7-9 the use, storage, or other consumption within the district of
7-10 taxable items purchased, leased, or rented from a retailer within
7-11 the district during the period that the tax is in effect.

7-12 (b) The board shall determine the tax rate. The rate may not
7-13 exceed the rate authorized by the governing body of the City of
7-14 Nassau Bay.

7-15 (c) With the consent of the governing body of the City of
7-16 Nassau Bay, the board may reduce the tax rate to the extent the
7-17 reduction does not impair any outstanding debt or other obligations
7-18 payable from the tax.

7-19 (d) The rate of the excise tax is the same as the rate of the
7-20 sales tax portion of the tax and is applied to the sales price of the
7-21 taxable item.

7-22 [Sections 3842.206-3842.250 reserved for expansion]

7-23 SUBCHAPTER F. DISSOLUTION

7-24 Sec. 3842.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING
7-25 DEBT. (a) The board may dissolve the district regardless of
7-26 whether the district has debt. Section 375.264, Local Government
7-27 Code, does not apply to the district.

7-28 (b) If the district has debt when it is dissolved, the
7-29 district shall remain in existence solely for the purpose of
7-30 discharging its debts. The dissolution is effective when all debts
7-31 have been discharged.

7-32 SECTION 3. BOUNDARIES. As of the effective date of this
7-33 Act, the NASA Area Management District includes all territory
7-34 contained in the following described area:

7-35 BEGINNING AT A POINT located at the intersection of the south
7-36 right-of-way line of NASA Parkway and the city limit of the City of
7-37 Nassau Bay, located in the City of Nassau Bay, Harris County, Texas;
7-38 THENCE, in a southeasterly direction approximately 3400 feet
7-39 following the city limit line between the City of Nassau Bay and the
7-40 City of Webster to the southwest corner of the Nassau Bay Homeowners
7-41 Association marina and yacht club property;

7-42 THENCE, in a northeasterly direction approximately 365 feet
7-43 following the southern property line of the Nassau Bay Homeowners
7-44 Association marina and yacht club to the eastern property line;

7-45 THENCE, in a northwesterly direction approximately 590 feet
7-46 following the eastern property line of the Nassau Bay Homeowners
7-47 Association marina and yacht club to the northern property line;

7-48 THENCE, in a westerly direction approximately 160 feet following
7-49 the northern property line of the Nassau Bay Homeowners Association
7-50 marina and yacht club to the western property line;

7-51 THENCE, in a generally southwesterly direction approximately 420
7-52 feet following the western property line of the Nassau Bay
7-53 Homeowners Association marina and yacht club to the city limit line
7-54 of the City of Nassau Bay;

7-55 THENCE, in a northwesterly direction for approximately 1550 feet to
7-56 the northwest corner of the Saxony Place Townhomes;

7-57 THENCE, in a northeasterly direction approximately 460 feet
7-58 following the northern property lines of the Saxony Place Townhomes
7-59 to the eastern right-of-way line of Nassau Bay Drive;

7-60 THENCE, in a northerly direction approximately 25 feet following
7-61 the eastern right-of-way line of Nassau Bay Drive to the southwest
7-62 corner of the Nassau Bay Baptist Church property;

7-63 THENCE, in an easterly direction approximately 410 feet following
7-64 the southern property line of the Nassau Bay Baptist Church to the
7-65 southeast corner of the property;

7-66 THENCE, in a northwesterly direction 500 feet along the eastern
7-67 property line of the Nassau Bay Baptist Church to the northwest
7-68 corner of Nassau Bay Section One;

7-69 THENCE, in a northeasterly direction approximately 765 feet

8-1 following the northern subdivision line of Nassau Bay Section One
8-2 to a point;
8-3 THENCE, in a southeasterly direction approximately 207 feet
8-4 following the subdivision line of Nassau Bay Section One to a point;
8-5 THENCE, in a northeasterly direction approximately 440 feet
8-6 following the subdivision line of Nassau Bay Section One to a point;
8-7 THENCE, in a northwesterly direction approximately 105 feet
8-8 following the subdivision line of Nassau Bay Section One to a point;
8-9 THENCE in a northeasterly direction approximately 440 feet
8-10 following the subdivision line of Nassau Bay Section One to the
8-11 western right-of-way of Point Lookout Drive;
8-12 THENCE, in a southeasterly direction approximately 1100 feet
8-13 following the western right-of-way of Point Lookout Drive to a
8-14 point;
8-15 THENCE, in a northeasterly direction approximately 60 feet to the
8-16 southwest corner of the St. Paul Catholic Church property;
8-17 THENCE, in a northeasterly direction approximately 385 feet
8-18 following the southern property line of the St. Paul Catholic
8-19 Church;
8-20 THENCE, in a northwesterly direction approximately 700 feet
8-21 following the eastern property line of the St. Paul Catholic
8-22 Church;
8-23 THENCE, in a southwesterly direction approximately 340 feet
8-24 following the northern property line of the St. Paul Catholic
8-25 Church to the eastern right-of-way of Point Lookout Drive;
8-26 THENCE, in a northwesterly direction approximately 335 feet to a
8-27 point;
8-28 THENCE, in a northeasterly direction approximately 985 feet
8-29 following the northern property lines of the Queens Court Townhomes
8-30 to the northeast corner of that subdivision;
8-31 THENCE, in a southeasterly direction approximately 320 feet
8-32 following the western property line of the Queens Court Townhomes
8-33 to the southeast corner of that subdivision;
8-34 THENCE, in a southwesterly direction approximately 350 feet
8-35 following the southern property line of the Queens Court Townhomes
8-36 to a point;
8-37 THENCE, in a southeasterly direction approximately 10 feet
8-38 following the property line of the Queens Court Townhomes to a
8-39 point;
8-40 THENCE, in a southwesterly direction approximately 165 feet
8-41 following the southern property line of the Queens Court Townhomes
8-42 to the western right-of-way line of Vinland Drive;
8-43 THENCE, in a southeasterly direction approximately 690 feet
8-44 following the east right-of-way line of Vinland Drive to the
8-45 southern right-of-way line of San Sebastian Lane;
8-46 THENCE, in a northeasterly direction approximately 330 feet
8-47 following the southern right-of-way line of San Sebastian Lane to
8-48 the western right-of-way line of Vinland Drive;
8-49 THENCE, in a southeasterly direction approximately 940 feet
8-50 following the western right-of-way line of Vinland Drive to the
8-51 southern right-of-way line of Martinique Drive;
8-52 THENCE, in a northeasterly direction approximately 500 feet along
8-53 the southern right-of-way line of Martinique Drive to the western
8-54 right-of-way line of Upper Bay Drive;
8-55 THENCE, in a southerly direction approximately 760 feet along the
8-56 western right-of-way line of Upper Bay Road to the northern
8-57 right-of-way line of Prince William Lane;
8-58 THENCE, in an easterly direction approximately 70 feet to the
8-59 easterly right-of-way line of Upper Bay Road;
8-60 THENCE, in a generally southerly and easterly direction
8-61 approximately 3350 feet following the property lines along the
8-62 western and southern shore of Nassau Bay to the City of Nassau Bay
8-63 property generally known as "the peninsula";
8-64 THENCE, in a southerly direction approximately 440 feet to the city
8-65 limit line of the City of Nassau Bay in the Clear Creek channel;
8-66 THENCE, in a northeasterly direction approximately 5300 feet
8-67 following the Clear Creek channel along the city limit line of the
8-68 City of Nassau Bay to a point in Clear Lake;
8-69 THENCE, in northwesterly direction approximately 2000 feet to the

9-1 southwestern corner of the Swan Lagoon subdivision along the
 9-2 northern shoreline of Clear Lake;
 9-3 THENCE, in a northwesterly direction approximately 230 feet along
 9-4 the western boundary of the Swan Lagoon subdivision to the southern
 9-5 right-of-way line of Surf Court;
 9-6 THENCE, in a northwesterly direction approximately 1115 feet
 9-7 following the southern and then eastern boundary line of Surf Court
 9-8 to the northern property line of the Clippers Square subdivision;
 9-9 THENCE in a northeasterly direction approximately 750 feet
 9-10 following the northern property line of the Clipper's Square
 9-11 subdivision to the eastern right-of-way line of Lagoon Drive;
 9-12 THENCE, in a northerly direction approximately 485 feet along the
 9-13 eastern right-of-way line of Lagoon Drive to the south right-of-way
 9-14 line of NASA Parkway;
 9-15 THENCE, in a northeasterly direction approximately 2230 feet
 9-16 following the southern right-of-way line of NASA Parkway to the
 9-17 western right-of-way line of Lakeside Lane;
 9-18 THENCE, in a southeasterly direction approximately 400 feet along
 9-19 the western right-of-way line of Lakeside Lane to a point;
 9-20 THENCE, in a northeasterly direction approximately 405 feet along
 9-21 the southern property line of the Hilton Hotel to the eastern
 9-22 property boundary;
 9-23 THENCE, in a generally northeasterly direction approximately 1150
 9-24 feet following the property lines along the western shoreline of
 9-25 Clear Lake to the city limits of the City of Nassau Bay;
 9-26 THENCE, in a northwesterly direction approximately 330 feet
 9-27 following the city limit line of the City of Nassau Bay to the
 9-28 northern right-of-way line of NASA Parkway;
 9-29 THENCE in a southwesterly direction approximately 9500 feet
 9-30 following the northern right-of-way line of NASA Parkway to the
 9-31 city limits of the City of Webster;
 9-32 THENCE, in a southeasterly direction approximately 180 feet
 9-33 following the city limits of the City of Webster to the southern
 9-34 right-of-way line of NASA Parkway;
 9-35 THENCE in a southwesterly direction approximately 750 feet
 9-36 following the southern right-of-way line of NASA Parkway to the
 9-37 POINT OF BEGINNING.

9-38 SECTION 4. ADDITIONAL LEGISLATIVE FINDINGS. The
 9-39 legislature finds that:

9-40 (1) proper and legal notice of the intention to
 9-41 introduce this Act, setting forth the general substance of this
 9-42 Act, has been published as provided by law, and the notice and a
 9-43 copy of this Act have been furnished to all persons, agencies,
 9-44 officials, or entities to which they are required to be furnished by
 9-45 the constitution and laws of this state, including the governor,
 9-46 who has submitted the notice and Act to the Texas Commission on
 9-47 Environmental Quality;

9-48 (2) the Texas Commission on Environmental Quality has
 9-49 filed its recommendations relating to this Act with the governor,
 9-50 lieutenant governor, and speaker of the house of representatives
 9-51 within the required time;

9-52 (3) the general law relating to consent by political
 9-53 subdivisions to the creation of districts with conservation,
 9-54 reclamation, and road powers and the inclusion of land in those
 9-55 districts has been complied with; and

9-56 (4) all requirements of the constitution and laws of
 9-57 this state and the rules and procedures of the legislature with
 9-58 respect to the notice, introduction, and passage of this Act have
 9-59 been fulfilled and accomplished.

9-60 SECTION 5. EFFECTIVE DATE. This Act takes effect
 9-61 immediately if it receives a vote of two-thirds of all the members
 9-62 elected to each house, as provided by Section 39, Article III, Texas
 9-63 Constitution. If this Act does not receive the vote necessary for
 9-64 immediate effect, this Act takes effect September 1, 2007.

9-65 * * * * *