

By: Eiland

H.B. No. 4773

A BILL TO BE ENTITLED

AN ACT

relating to the creation of Chambers County Improvement District No. 2; providing authority to levy an assessment, impose a tax, and issue bonds; granting a limited power of eminent domain.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3872 to read as follows:

CHAPTER 3872. CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3872.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Chambers County Improvement District No. 2.

Sec. 3872.002. NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3872.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 3872.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 3872.003

1 until each municipality in whose corporate limits or  
2 extraterritorial jurisdiction the district is located has  
3 consented by ordinance or resolution to the creation of the  
4 district and to the inclusion of land in the district.

5 Sec. 3872.005. PURPOSE; DECLARATION OF INTENT. (a) The  
6 creation of the district is essential to accomplish the purposes of  
7 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
8 Texas Constitution, and other public purposes stated in this  
9 chapter. By creating the district, the legislature has established  
10 a program to accomplish the public purposes set out in Sections 52  
11 and 52-a, Article III, Texas Constitution.

12 (b) The creation of the district is necessary to promote,  
13 develop, encourage, and maintain employment, commerce,  
14 transportation, housing, tourism, recreation, the arts,  
15 entertainment, economic development, safety, and the public  
16 welfare in the district.

17 (c) This chapter and the creation of the district may not be  
18 interpreted to relieve the City of Baytown, Chambers County, or any  
19 other governmental entity from providing the level of services  
20 provided, as of the effective date of the Act creating this chapter,  
21 to the area in the district. The district is created to supplement  
22 and not to supplant the governmental services provided in the area  
23 in the district.

24 Sec. 3872.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
25 The district is created to serve a public use and benefit.

26 (b) All land and other property included in the district  
27 will benefit from the improvements and services to be provided by

1 the district under powers conferred by Sections 52 and 52-a,  
2 Article III, and Section 59, Article XVI, Texas Constitution, and  
3 other powers granted under this chapter.

4 (c) The creation of the district is in the public interest  
5 and is essential to:

6 (1) further the public purposes of developing and  
7 diversifying the economy of the state;

8 (2) eliminate unemployment and underemployment; and

9 (3) develop or expand transportation and commerce.

10 (d) The district will:

11 (1) promote the health, safety, and general welfare of  
12 residents, employers, potential employees, employees, visitors,  
13 and consumers in the district, and of the public;

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

17 (3) promote the health, safety, welfare, and enjoyment  
18 of the public by providing pedestrian ways and by landscaping and  
19 developing certain areas in the district, which are necessary for  
20 the restoration, preservation, and enhancement of scenic beauty;  
21 and

22 (4) provide for water, wastewater, drainage, road, and  
23 recreational facilities for the district.

24 (e) Pedestrian ways along or across a street, whether at  
25 grade or above or below the surface, and street lighting, street  
26 landscaping, parking, and street art objects are parts of and  
27 necessary components of a street and are considered to be a street

1 or road improvement.

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

5 Sec. 3872.007. INITIAL DISTRICT TERRITORY. (a) The  
6 district is initially composed of the territory described by  
7 Section 2 of the Act creating this chapter.

8 (b) The boundaries and field notes contained in Section 2 of  
9 the Act creating this chapter form a closure. A mistake in the  
10 field notes or in copying the field notes in the legislative process  
11 does not affect the district's:

12 (1) organization, existence, or validity;

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

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

17 (4) legality or operation.

18 Sec. 3872.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

19 All or any part of the area of the district may be included in:

20 (1) a tax increment reinvestment zone created under  
21 Chapter 311, Tax Code;

22 (2) a tax abatement reinvestment zone created under  
23 Chapter 312, Tax Code;

24 (3) an enterprise zone created under Chapter 2303,  
25 Government Code; or

26 (4) an industrial district created under Chapter 42,  
27 Local Government Code.

1       Sec. 3872.009. APPLICABILITY OF MUNICIPAL MANAGEMENT  
2 DISTRICTS LAW. Except as otherwise provided by this chapter,  
3 Chapter 375, Local Government Code, applies to the district.

4       Sec. 3872.010. LIBERAL CONSTRUCTION OF CHAPTER. This  
5 chapter shall be liberally construed in conformity with the  
6 findings and purposes stated in this chapter.

7       [Sections 3872.011-3872.050 reserved for expansion]

8                   SUBCHAPTER B. BOARD OF DIRECTORS

9       Sec. 3872.051. GOVERNING BODY; TERMS. (a) The district is  
10 governed by a board of five directors elected or appointed as  
11 provided by this chapter and Chapter 49, Water Code.

12       (b) Except as provided by Section 3872.052, directors serve  
13 staggered four-year terms.

14       Sec. 3872.052. TEMPORARY DIRECTORS. (a) On or after the  
15 effective date of the Act creating this chapter, the owner or owners  
16 of a majority of the assessed value of the real property in the  
17 district may submit a petition to the Texas Commission on  
18 Environmental Quality requesting that the commission appoint as  
19 temporary directors the five persons named in the petition. The  
20 commission shall appoint as temporary directors the five persons  
21 named in the petition.

22       (b) Temporary directors serve until the earlier of:

23               (1) the date permanent directors are elected under  
24 Section 3872.003; or

25               (2) the fourth anniversary of the effective date of  
26 the Act creating this chapter.

27       (c) If permanent directors have not been elected under

1 Section 3872.003 and the terms of the temporary directors have  
2 expired, successor temporary directors shall be appointed or  
3 reappointed as provided by Subsection (d) to serve terms that  
4 expire on the earlier of:

5 (1) the date permanent directors are elected under  
6 Section 3872.003; or

7 (2) the fourth anniversary of the date of the  
8 appointment or reappointment.

9 (d) If Subsection (c) applies, the owner or owners of a  
10 majority of the assessed value of the real property in the district  
11 may submit a petition to the Texas Commission on Environmental  
12 Quality requesting that the commission appoint as successor  
13 temporary directors the five persons named in the petition. The  
14 commission shall appoint as successor temporary directors the five  
15 persons named in the petition.

16 Sec. 3872.053. COMPENSATION. A director is entitled to  
17 receive fees of office and reimbursement for actual expenses as  
18 provided by Section 49.060, Water Code, for directors of a  
19 municipal utility district. Sections 375.069 and 375.070, Local  
20 Government Code, do not apply to the board.

21 [Sections 3872.054-3872.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 3872.101. GENERAL POWERS. (a) The district may  
24 purchase, construct, acquire, own, operate, maintain, improve, or  
25 extend, inside and outside the district, works, facilities, and  
26 improvements necessary or convenient to accomplish the purposes of  
27 the district authorized by Sections 52 and 52-a, Article III, and

1 Section 59, Article XVI, Texas Constitution.

2 (b) The district has the rights, powers, privileges,  
3 authority, and functions conferred by the general law of this state  
4 applicable to:

5 (1) a municipal management district, including  
6 Chapter 375, Local Government Code; and

7 (2) municipal utility districts, including Chapters  
8 49 and 54, Water Code.

9 Sec. 3872.102. RECREATIONAL FACILITIES. The district may  
10 develop or finance recreational facilities as authorized by Chapter  
11 375, Local Government Code, Sections 52 and 52-a, Article III,  
12 Texas Constitution, and any other law that applies to the district.

13 Sec. 3872.103. EVALUATION OF FEASIBILITY. For purposes of  
14 any applicable evaluation by the commission of the economic  
15 feasibility of the district or its project and bonds, debt service  
16 tax rate, maintenance tax rate, or overlapping tax rate, the  
17 commission shall treat the district as a municipal utility district  
18 situated wholly within Harris County, Texas.

19 Sec. 3872.104. AUTHORITY FOR ROAD PROJECTS. Under Section  
20 52, Article III, Texas Constitution, the district may design,  
21 acquire, construct, finance, issue bonds for, improve, and convey  
22 to this state, a county, or a municipality for operation and  
23 maintenance macadamized, graveled, or paved roads or improvements,  
24 including storm drainage, in aid of those roads.

25 Sec. 3872.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
26 project must meet all applicable construction standards, zoning and  
27 subdivision requirements, and regulations of each municipality in

1 whose corporate limits or extraterritorial jurisdiction the road  
2 project is located.

3 (b) If a road project is not located in the corporate limits  
4 or extraterritorial jurisdiction of a municipality, the road  
5 project must meet all applicable construction standards,  
6 subdivision requirements, and regulations of each county in which  
7 the road project is located.

8 (c) If the state will maintain and operate the road, the  
9 Texas Transportation Commission must approve the plans and  
10 specifications of the road project.

11 Sec. 3872.106. DEVELOPMENT CORPORATION POWERS. The  
12 district may exercise the powers given to a development corporation  
13 under Chapter 505, Local Government Code, including the power to  
14 own, operate, acquire, construct, lease, improve, or maintain a  
15 project described by that chapter.

16 Sec. 3872.107. NONPROFIT CORPORATION. (a) The board by  
17 resolution may authorize the creation of a nonprofit corporation to  
18 assist and act for the district in implementing a project or  
19 providing a service authorized by this chapter.

20 (b) The nonprofit corporation:

21 (1) has each power of and is considered for purposes of  
22 this chapter to be a local government corporation created under  
23 Chapter 431, Transportation Code; and

24 (2) may implement any project and provide any service  
25 authorized by this chapter.

26 (c) The board shall appoint the board of directors of the  
27 nonprofit corporation. The board of directors of the nonprofit



1 corporation shall serve in the same manner as the board of directors  
2 of a local government corporation created under Chapter 431,  
3 Transportation Code, except that a member of the corporation's  
4 board of directors is not required to reside in the district.

5 Sec. 3872.108. AGREEMENTS; GRANTS. (a) The district may  
6 make an agreement with or accept a gift, grant, or loan from any  
7 person.

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

11 Sec. 3872.109. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.  
12 To protect the public interest, the district may contract with a  
13 qualified party, including Chambers County or the City of Baytown,  
14 for the provision of law enforcement services in the district for a  
15 fee.

16 Sec. 3872.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
17 district may join and pay dues to a charitable or nonprofit  
18 organization that performs a service or provides an activity  
19 consistent with the furtherance of a district purpose.

20 Sec. 3872.111. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
21 district may establish and provide for the administration of one or  
22 more programs to promote state or local economic development and to  
23 stimulate business and commercial activity in the district,  
24 including programs to:

25 (1) make loans and grants of public money; and

26 (2) provide district personnel and services.

27 (b) The district has all of the powers of a municipality

1 under Chapter 380, Local Government Code.

2 Sec. 3872.112. STRATEGIC PARTNERSHIP AGREEMENT. The  
3 district may negotiate and enter into a written strategic  
4 partnership agreement with a municipality under Section 43.0751,  
5 Local Government Code.

6 Sec. 3872.113. LIMITED EMINENT DOMAIN. (a) The district  
7 may exercise the power of eminent domain only for the purposes, only  
8 to the extent, and subject to the limitations the general law  
9 provides for a municipal utility district.

10 (b) The district may not exercise the power of eminent  
11 domain outside the district to acquire a site or easement for:

- 12 (1) a road project authorized by Section 3872.104; or  
13 (2) a recreational facility as defined by Section  
14 49.462, Water Code.

15 Sec. 3872.114. ANNEXATION OR EXCLUSION OF LAND. (a) The  
16 district may annex land as provided by Subchapter J, Chapter 49,  
17 Water Code.

18 (b) The district may exclude land as provided by Subchapter  
19 J, Chapter 49, Water Code. Section 375.044(b), Local Government  
20 Code, does not apply to the district.

21 Sec. 3872.115. FIREFIGHTING AND EMERGENCY MEDICAL  
22 SERVICES. Subchapter L, Chapter 49, Water Code, applies to the  
23 district.

24 [Sections 3872.116-3872.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 3872.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
27 board by resolution shall establish the number of directors'

1 signatures and the procedure required for a disbursement or  
2 transfer of the district's money.

3 Sec. 3872.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
4 The district may acquire, construct, finance, operate, maintain, or  
5 provide any works, facilities, improvements, or services  
6 authorized under this chapter, Chapter 375, Local Government Code,  
7 or Chapters 49 and 54, Water Code, using any money available to the  
8 district.

9 Sec. 3872.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
10 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
11 service or improvement project with assessments under this chapter  
12 unless a written petition requesting that service or improvement  
13 has been filed with the board.

14 (b) A petition filed under Subsection (a) must be signed by:

15 (1) the owners of a majority of the assessed value of  
16 real property in the district subject to assessment according to  
17 the most recent certified tax appraisal roll for Chambers County;  
18 or

19 (2) at least 25 persons who own real property in the  
20 district subject to assessment, if more than 25 persons own real  
21 property in the district subject to assessment as determined by the  
22 most recent certified tax appraisal roll for Chambers County.

23 Sec. 3872.154. METHOD OF NOTICE FOR HEARING. The district  
24 may mail the notice required by Section 375.115(c), Local  
25 Government Code, by certified or first class United States mail.  
26 The board shall determine the method of notice.

27 Sec. 3872.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

1 The board by resolution may impose and collect an assessment for any  
2 purpose authorized by this chapter in all or any part of the  
3 district.

4 (b) An assessment, a reassessment, or an assessment  
5 resulting from an addition to or correction of the assessment roll  
6 by the district, penalties and interest on an assessment or  
7 reassessment, an expense of collection, and reasonable attorney's  
8 fees incurred by the district are:

9 (1) a first and prior lien against the property  
10 assessed;

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

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

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

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

25 Sec. 3872.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
26 ASSESSMENTS. The district may not impose an impact fee or  
27 assessment on the property, including the equipment,

1 rights-of-way, facilities, or improvements, of:

2 (1) an electric utility or a power generation company  
3 as defined by Section 31.002, Utilities Code;

4 (2) a gas utility as defined by Section 101.003 or  
5 121.001, Utilities Code;

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

8 (4) a person who provides to the public cable  
9 television or advanced telecommunications services.

10 Sec. 3872.157. OPERATION AND MAINTENANCE TAX. (a) If  
11 authorized at an election held in accordance with Section 3872.161,  
12 the district may impose an operation and maintenance tax on taxable  
13 property in the district in accordance with Section 49.107, Water  
14 Code, for any district purpose, including to:

15 (1) maintain and operate the district;

16 (2) construct or acquire improvements; or

17 (3) provide a service.

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

20 Sec. 3872.158. CONTRACT TAXES. (a) In accordance with  
21 Section 49.108, Water Code, the district may impose a tax other than  
22 an operation and maintenance tax and use the revenue derived from  
23 the tax to make payments under a contract after the provisions of  
24 the contract have been approved by a majority of the district voters  
25 voting at an election held for that purpose.

26 (b) A contract approved by the district voters may contain a  
27 provision stating that the contract may be modified or amended by

1 the board without further voter approval.

2 Sec. 3872.159. AUTHORITY TO BORROW MONEY AND TO ISSUE  
3 BONDS. (a) The district may borrow money on terms and conditions  
4 as determined by the board. Section 375.205, Local Government  
5 Code, does not apply to a loan, line of credit, or other borrowing  
6 from a bank or financial institution secured by revenue other than  
7 ad valorem taxes.

8 (b) The district may issue bonds, notes, or other  
9 obligations payable wholly or partly from ad valorem taxes,  
10 assessments, impact fees, revenue, contract payments, grants, or  
11 other district money, or any combination of those sources of money,  
12 to pay for any authorized district purpose.

13 Sec. 3872.160. TAXES FOR BONDS. At the time the district  
14 issues bonds payable wholly or partly from ad valorem taxes, the  
15 board shall provide for the annual imposition of a continuing  
16 direct annual ad valorem tax, without limit as to rate or amount,  
17 while all or part of the bonds are outstanding as required and in  
18 the manner provided by Sections 54.601 and 54.602, Water Code.

19 Sec. 3872.161. ELECTIONS REGARDING TAXES AND BONDS. (a)  
20 The district may issue, without an election, bonds, notes, and  
21 other obligations secured by:

22 (1) revenue other than ad valorem taxes; or

23 (2) contract payments described by Section 3872.158.

24 (b) The district must hold an election in the manner  
25 provided by Subchapter L, Chapter 375, Local Government Code, to  
26 obtain voter approval before the district may impose an ad valorem  
27 tax or issue bonds payable from ad valorem taxes.

1       (c) The district may not issue bonds payable from ad valorem  
2 taxes to finance a road project unless the issuance is approved by a  
3 vote of a two-thirds majority of the district voters voting at an  
4 election held for that purpose.

5       (d) At the time of issuance, the total principal amount of  
6 bonds or other obligations issued or incurred to finance road  
7 projects and payable from ad valorem taxes may not exceed  
8 one-fourth of the assessed value of the real property in the  
9 district.

10       (e) Sections 375.207 and 375.243, Local Government Code, do  
11 not apply to the district.

12       Sec. 3872.162. COMPETITIVE BIDDING. Subchapter I, Chapter  
13 49, Water Code, applies to the district. Subchapter K, Chapter 375,  
14 Local Government Code, does not apply to the district.

15       Sec. 3872.163. TAX AND ASSESSMENT ABATEMENTS. The district  
16 may grant in the manner authorized by Chapter 312, Tax Code, an  
17 abatement for a tax or assessment owed to the district.

18       [Sections 3872.164-3872.200 reserved for expansion]

19       SUBCHAPTER E. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED

20                                     PROPERTY

21       Sec. 3872.201. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
22 DESIGNATED PROPERTY. The district may define areas or designate  
23 certain property of the district to pay for improvements,  
24 facilities, or services that primarily benefit that area or  
25 property and do not generally and directly benefit the district as a  
26 whole.

27       Sec. 3872.202. PROCEDURE FOR ELECTION. (a) Before the

1 district may impose an ad valorem tax or issue bonds payable from ad  
2 valorem taxes of the defined area or designated property, the board  
3 shall call and hold an election in the defined area or within the  
4 boundaries of the designated property only.

5 (b) The election shall be conducted as provided by Section  
6 3872.161.

7 (c) The board may submit the issues to the voters on the same  
8 ballot to be used in another election.

9 Sec. 3872.203. DECLARING RESULTS AND ISSUING ORDER. (a) If  
10 a majority of the voters voting at the election approve the  
11 proposition or propositions, the board shall declare the results  
12 and, by order, shall establish the defined area and describe it by  
13 metes and bounds or designate the specific property.

14 (b) The board's order is not subject to judicial review  
15 except on the ground of fraud, palpable error, or arbitrary and  
16 confiscatory abuse of discretion.

17 Sec. 3872.204. TAXES FOR IMPROVEMENTS AND FACILITIES IN  
18 DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and  
19 adoption of the order described by Section 3872.203, the district  
20 may apply separately, differently, equitably, and specifically its  
21 taxing power and lien authority to the defined area or designated  
22 property to provide money to construct, administer, maintain, and  
23 operate services, improvements, and facilities that primarily  
24 benefit the defined area or designated property.

25 Sec. 3872.205. ISSUANCE OF BONDS FOR DEFINED AREA OR  
26 DESIGNATED PROPERTY. After the order under Section 3872.203 is  
27 adopted, the district may issue bonds to provide for any land,



1 improvements, facilities, plants, equipment, and appliances for  
2 the defined area or designated property.

3 [Sections 3872.206-3872.250 reserved for expansion]

4 SUBCHAPTER F. MUNICIPAL ANNEXATION AND EFFECT ON MUNICIPAL POWERS

5 Sec. 3872.251. MUNICIPAL ANNEXATION OF THE DISTRICT.

6 Notwithstanding Chapter 43, Local Government Code, a municipality  
7 in whose extraterritorial jurisdiction the district is located may  
8 annex all or part of the district. Municipal annexation of all or  
9 part of the district has no effect on the validity of the district  
10 and the district shall continue to exist and exercise the powers  
11 granted by this Act. Municipal annexation does not result in total  
12 or partial dissolution of the district or an assumption by the  
13 annexing municipality of any of the district's obligations or  
14 indebtedness.

15 Sec. 3872.252. EFFECT ON MUNICIPAL POWERS. (a) The

16 creation of the district does not affect the power of a municipality  
17 in whose extraterritorial jurisdiction the district or part of the  
18 district lies to:

19 (1) designate all or part of the district as an  
20 industrial district;

21 (2) limit a power of the municipality conferred by  
22 Chapter 42, Local Government Code; or

23 (3) provide municipal services to any area in the  
24 municipality or its extraterritorial jurisdiction that is also in  
25 the district.

26 (b) The creation of the district does not affect the power  
27 the municipality had before the district was created to spend money

1 or provide services.

2 SECTION 2. Chambers County Improvement District No. 2  
3 initially includes all territory contained in the following area:

4 A certain 723.06 acre tract, situated in the G. L. Short  
5 Survey, Abstract No. 228, the R. A. Porter Survey, Abstract No. 205  
6 in Chambers County, Texas; being all of a called 1.9725 acre tract  
7 (Tract 1), all of a called 17.5648 acre tract (Tract 2), all of a  
8 called 665.8778 acre tract (Tract 3), and all of a called 37.6437  
9 acre tract (Tract 4) described in Deed of Trust recorded in Volume  
10 (08) 1053, Page 719 of the Chambers County Official Public Records;  
11 said 723.06 acre tract being comprised of four tracts and being more  
12 particularly described as follows with all bearings being based on  
13 the Texas Coordinate System, South Central Zone, NAD83;

14 Tract I - 1.97 acres

15 BEGINNING at the northeast corner of said called 1.9725 acre  
16 tract, being in the north right-of-way line of Farm to Market Road  
17 No. 565 (Old Alignment), as recorded in Volume 120, Page 475 of the  
18 Chambers County Deed Records;

19 THENCE, along the southeast line of the said 1.9725 acre  
20 tract, common with the northwest right-of-way line of said Farm to  
21 Market Road No. 565 (Old Alignment), along the arc of a curve to the  
22 left having a radius of 612.96 feet, a central angle of 80°06'02", an  
23 arc length of 856.93 feet, and a long chord bearing South 38°32'49"  
24 West, 788.83 feet, to a point for corner;

25 THENCE, South 01°30'10" East, continuing along said common  
26 line, 51.93 feet to a point for corner marking the southern corner  
27 of the said 1.9725 acre tract, being in the east line of a called

1 63.623 acre tract as recorded in Volume (07) 995, Page 26 of the  
2 Chambers County Official Public Records;

3       THENCE, North 13°22'45" West, along the west line of the said  
4 1.9725 acre tract, common with the east line of the said 63.623 acre  
5 tract, 559.38 feet to the northwest corner of the said 1.9725 acre  
6 tract, common with a southwest corner of a called 92.8172 acre tract  
7 as recorded in Volume (07) 943, Page 142 of the Chambers County  
8 Official Public Records;

9       THENCE, North 78°37'32" East, along the north line of said  
10 1.9725 acre tract, common with a south line of said 92.8172 acre  
11 tract, 632.05 feet to the POINT OF BEGINNING, CONTAINING 1.97 acres  
12 of land in Chambers County, Texas.

13 Tract II - 17.56 acres;

14       BEGINNING at the northeast corner of the aforementioned  
15 17.5648 acre tract, being in the south right-of-way line of the  
16 aforementioned Farm to Market Road No. 565 (Old Alignment);

17       THENCE, South 17°51'16" East, 48.43 feet to the beginning of a  
18 non-tangent curve to the left in the north right-of-way line of Farm  
19 to Market Road No. 565 (new right-of-way location) as described in  
20 Volume (90) 104, Page 441 of the Chambers County Official Public  
21 Records;

22       THENCE, along the south line of the aforementioned 17.5648  
23 acre tract, common with the north right-of-way line of said Farm to  
24 Market Road No. 565 (new right-of-way location) the following three  
25 (3) courses and distances:

26       1. Along the arc of said non-tangent curve to the left having  
27       a radius of 1,969.86 feet, a central angle of 14°10'39", an

1 arc length of 487.43 feet, and a long chord bearing South  
2 50°41'22" West, 486.19 feet to a point for corner;

3 2. South 43°36'03" West, 894.38 feet to the beginning of a  
4 curve to the right;

5 3. Along the arc of said curve to the right having a radius of  
6 1,849.86 feet, a central angle of 15°38'15", an arc length  
7 of 504.88 feet, and a long chord bearing South 51°25'10"  
8 West, 503.31 feet to a point for corner;

9 THENCE, North 13°25'03" West, 198.68 feet to the beginning of  
10 a non-tangent curve to the left;

11 THENCE, along the arc of said curve to the left having a  
12 radius of 612.96 feet, a central angle of 10°10'16", an arc length of  
13 108.81 feet, and a long chord bearing North 03°34'57" East, 108.67  
14 feet to a point for corner;

15 THENCE, North 01°30'10" West, 278.30 feet to the beginning of  
16 a curve to the right;

17 THENCE, along the arc of said curve to the right having a  
18 radius of 532.96 feet, a central angle of 80°05'59", an arc length of  
19 745.08 feet, and a long chord bearing North 38°32'49" East, 685.87  
20 feet to a point for corner;

21 THENCE, North 78°37'32" East, 1,010.63 feet to the POINT OF  
22 BEGINNING, CONTAINING 17.56 acres of land in Chambers County,  
23 Texas.

24 Tract III - 665.89 acres

25 BEGINNING at the northeast corner of the said 665.8778 acre  
26 tract, being in the south right-of-way line of the aforementioned  
27 Farm to Market Road No. 565 (new right-of-way location);

1           THENCE, South 02°31'31" East, 2,829.73 feet to a point for  
2 corner;

3           THENCE, North 87°11'15" East, 2,512.35 feet to a point for  
4 corner;

5           THENCE, South 02°47'49" East, 1,273.52 feet to a point for  
6 corner;

7           THENCE, South 32°41'35" West, 1,392.72 feet to a point for  
8 corner;

9           THENCE, South 31°38'35" West, 3,151.63 feet to the beginning  
10 of a curve to the left;

11           THENCE, along the arc of said curve to the left having a  
12 radius of 580.00 feet, a central angle of 28°30'23", an arc length of  
13 288.57 feet, and a long chord bearing South 17°23'24" West, 285.60  
14 feet to a point for corner;

15           THENCE, South 77°19'54" West, 641.27 feet to a point for  
16 corner;

17           THENCE, North 12°47'30" West, 3,758.66 feet to a point for  
18 corner;

19           THENCE, South 77°18'04" West, 2,710.22 feet to a point for  
20 corner;

21           THENCE, North 12°19'24" West, 3,101.61 feet to a point for  
22 corner;

23           THENCE, North 77°09'13" East, 554.11 feet to the beginning of  
24 a curve to the left;

25           THENCE, along the arc of said curve to the left having a  
26 radius of 1,969.86 feet, a central angle of 08°25'45", an arc length  
27 of 289.80 feet, and a long chord bearing North 72°56'20" East,

1 289.54 feet to a point for corner;  
2       THENCE, North 76°55'21" East, 282.15 feet to a point for  
3 corner;  
4       THENCE, North 13°25'02" West, 61.94 feet to the beginning of a  
5 non-tangent curve to the left;  
6       THENCE, along the arc of said curve to the left having a  
7 radius of 1,969.86 feet, a central angle of 16°43'28", an arc length  
8 of 575.00 feet, and a long chord bearing North 51°57'47" East,  
9 572.96 feet to a point for corner;  
10       THENCE, North 43°36'03" East, 894.38 feet to the beginning of  
11 a curve to the right;  
12       THENCE, along the arc of said curve to the right having a  
13 radius of 1,849.86 feet, a central angle of 35°00'00", an arc length  
14 of 1,130.02 feet, and a long chord bearing North 61°06'03" East,  
15 1,112.53 feet to a point for corner;  
16       THENCE, North 78°36'03" East, 522.22 feet to the beginning of  
17 a curve to the right;  
18       THENCE, along the arc of said curve to the right having a  
19 radius of 5,669.58 feet, a central angle of 01°02'10", an arc length  
20 of 102.52 feet, and a long chord bearing North 79°07'09" East,  
21 102.52 feet to a point for corner;  
22       THENCE, North 79°38'13" East, 840.21 feet to the POINT OF  
23 BEGINNING, CONTAINING 665.89 acres of land in Chambers County,  
24 Texas.  
25 Tract IV - 37.64 acres  
26       BEGINNING at the north corner of the aforementioned called  
27 37.6437 acre tract, being in the southeast line of the Coastal

1 Industrial Water Authority Canal (called 180-foot wide) as recorded  
2 in Volume 308, Page 281 of the Chambers County Deed Records;

3       THENCE, South 02°47'49" East, along the east line of the said  
4 37.6437 acre tract, common with the east line of the remainder of a  
5 called 210.29 acre tract as recorded in Volume 172, Page 166 of the  
6 Chambers County Deed Records, 2,158.70 feet to a point for corner  
7 marking the southeast corner of the said 37.6437 acre tract, common  
8 with the northeast corner of a called 59.974 acre tract recorded in  
9 Volume 165, Page 456, of the Chambers County Deed Records;

10       THENCE, South 87°14'55" West, along the south line of the said  
11 37.6437 acre tract, common with the north line of said 59.974 acre  
12 tract, 1,504.79 feet to a point for corner marking the southwest  
13 corner of the said 37.6437 acre tract being in the southeast line of  
14 the aforementioned Coastal Industrial Water Authority Canal;

15       THENCE, North 31°38'35" East, along the northwest line of the  
16 said 37.6437 acre tract, common with the being in the southeast line  
17 of the aforementioned Coastal Industrial Water Authority Canal,  
18 1,491.90 feet to a point for corner,

19       THENCE, North 32°41'35" East, continuing along said common  
20 line, 1,138.65 feet to the POINT OF BEGINNING, CONTAINING 37.64  
21 acres of land in Chambers County, Texas along with the herein  
22 described 1.97 acre tract (Tract I), and the herein described 17.56  
23 acre tract (Tract II), and the herein described 665.88 acres (Tract  
24 III) for a total acreage of 723.06 acres.

25       SECTION 3. (a) The legal notice of the intention to  
26 introduce this Act, setting forth the general substance of this  
27 Act, has been published as provided by law, and the notice and a

1 copy of this Act have been furnished to all persons, agencies,  
2 officials, or entities to which they are required to be furnished  
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4 Government Code.

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

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

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

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

20 SECTION 4. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2009.