

AN ACT

relating to the creation of the Padre Island Gateway Municipal Management District; providing authority to impose a tax and issue bonds.

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 3869 to read as follows:

CHAPTER 3869. PADRE ISLAND GATEWAY MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3869.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Corpus Christi.

(3) "District" means the Padre Island Gateway Municipal Management District.

(4) "Improvement project" means any program or project authorized by Sections 3869.102 and 3869.160 inside or outside the district.

Sec. 3869.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3869.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this

1 chapter. By creating the district and in authorizing the city and  
2 other political subdivisions to contract with the district, the  
3 legislature has established a program to accomplish the public  
4 purposes set out in Section 52-a, Article III, Texas Constitution.

5 (b) The creation of the district is necessary to promote,  
6 develop, and protect the environment and the other natural  
7 resources of this state, and to encourage and maintain employment,  
8 commerce, transportation, housing, tourism, recreation, the arts,  
9 entertainment, economic development, safety, and the public  
10 welfare in the district.

11 (c) The district is created to supplement and not to  
12 supplant services provided by the city in the district. This  
13 chapter and the creation of the district may not be interpreted to  
14 relieve the city from providing the level of services provided as of  
15 the effective date of the Act creating this chapter to the area in  
16 the district.

17 Sec. 3869.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

18 (a) The district is created to serve a public use and benefit.

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

24 (c) The creation of the district is in the public interest  
25 and is essential to further the public purposes of:

26 (1) developing and diversifying the economy of this  
27 state;

1           (2) eliminating unemployment and underemployment;

2           (3) providing quality residential housing;

3           (4) developing or expanding transportation and  
4 commerce; and

5           (5) improving and enhancing the environment in and  
6 around the district and in the city.

7           (d) The district will:

8           (1) promote the health, safety, and general welfare of  
9 residents, employers, potential employees, employees, visitors,  
10 and consumers in the district, and of the public;

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

15           (3) promote the health, safety, welfare, and enjoyment  
16 of the public by providing pedestrian ways throughout the district,  
17 including beaches; and

18           (4) landscape and develop areas in the district that  
19 are necessary for the restoration, preservation, and enhancement of  
20 scenic beauty and enhancing and improving the environment as an  
21 essential natural resource of this state.

22           (e) Pedestrian ways along or across a street or a beach,  
23 whether at grade or above or below the surface, and street lighting,  
24 street landscaping, vehicle parking, and street art objects are  
25 parts of and necessary components of a street and a beach and are  
26 considered to be an improvement project that includes a street,  
27 road, or beach improvement.

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

4       Sec. 3869.005. DISTRICT TERRITORY. (a) The district is  
5 composed of the territory described by Section 2 of the Act creating  
6 this chapter, as that territory may have been modified under  
7 Section 3869.107 or other law.

8       (b) A mistake in the field notes of the district contained  
9 in Section 2 of the Act creating this chapter or in copying the  
10 field notes in the legislative process does not in any way affect:

11           (1) the district's organization, existence, or  
12 validity;

13           (2) the district's right to contract, including the  
14 right to issue any type of bond or other obligation for a purpose  
15 for which the district is created;

16           (3) the district's right to impose or collect an  
17 assessment, tax, or any other revenue; or

18           (4) the legality or operation of the board.

19       Sec. 3869.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

20       (a) All or any part of the area of the district is eligible to be  
21 included in:

22           (1) a tax increment reinvestment zone created by the  
23 city under Chapter 311, Tax Code;

24           (2) a tax abatement reinvestment zone created by the  
25 city under Chapter 312, Tax Code; or

26           (3) an enterprise zone created by the city under  
27 Chapter 2303, Government Code.

1       (b) If the city creates a tax increment reinvestment zone  
2 described by Subsection (a), the district may accept and use money  
3 deposited in the tax increment fund, in accordance with a contract  
4 between the city and the district, for a purpose Section  
5 380.002(b), Local Government Code, authorizes for a corporation.  
6 The district may pledge the money granted as security for bonds  
7 issued by the district for an improvement project.

8       Sec. 3869.007. CONSTRUCTION OF "AD VALOREM TAX." In this  
9 chapter, a reference in law to an ad valorem tax refers to an ad  
10 valorem tax imposed by the district and not an ad valorem tax  
11 imposed by the city.

12       Sec. 3869.008. LIABILITY RESULTING FROM DISTRICT ACTION.  
13 An action of the district or the board does not create a liability  
14 against the city or any other political subdivision.

15       [Sections 3869.009-3869.050 reserved for expansion]

16                   SUBCHAPTER B. BOARD OF DIRECTORS

17       Sec. 3869.051. GOVERNING BODY; TERMS. The district is  
18 governed by a board of five voting directors appointed under  
19 Section 3869.052 and three nonvoting directors serving ex officio  
20 as provided by Section 3869.054. The five voting directors serve  
21 staggered terms of four years.

22       Sec. 3869.052. APPOINTED DIRECTORS. The governing body of  
23 the city shall appoint the voting directors and shall appoint a  
24 director to fill each vacancy that occurs on the board, with the  
25 appointee to serve for the unexpired term of the former director.

26       Sec. 3869.053. ELIGIBILITY OF APPOINTED DIRECTORS. (a) To  
27 be qualified to serve as a voting director appointed under Section

1 3869.052, a person must be at least 18 years old and:

2 (1) a resident of the district who is also a registered  
3 voter of the district;

4 (2) an owner of property in the district;

5 (3) an owner of stock, whether beneficial or  
6 otherwise, of a corporate owner of property in the district;

7 (4) an owner of a beneficial interest in a trust that  
8 owns property in the district; or

9 (5) an agent, employee, or tenant of a person  
10 described by Subdivision (2), (3), or (4).

11 (b) Section 49.052, Water Code, does not apply to the  
12 district.

13 Sec. 3869.054. EX OFFICIO DIRECTORS. (a) The following  
14 persons serve ex officio as nonvoting directors:

15 (1) an assistant city manager of the city appointed by  
16 the city manager of the city;

17 (2) the chief financial officer of the city; and

18 (3) the economic development director of the city.

19 (b) If an office described in Subsection (a) is renamed,  
20 changed, or abolished, the governing body of the city may appoint  
21 another officer or employee of the city who performs duties  
22 comparable to those performed by the officer described by  
23 Subsection (a).

24 Sec. 3869.055. FILING OATH OR AFFIRMATION. An initial and  
25 an appointed director's oath or affirmation of office shall be  
26 filed with the district and the district shall retain the oath or  
27 affirmation in the district records.

1       Sec. 3869.056. OFFICERS. The board shall elect from among  
2 the initial and appointed directors a presiding officer, an  
3 assistant presiding officer, and a secretary.

4       Sec. 3869.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE  
5 FOR DIRECTORS. (a) The district may compensate each initial and  
6 each appointed voting director in an amount not to exceed \$50 for  
7 each board meeting. The total amount of compensation per appointed  
8 director per year may not exceed \$2,000. The district may not  
9 compensate a director serving ex officio.

10       (b) An initial or appointed voting director is entitled to  
11 reimbursement for necessary and reasonable expenses incurred in  
12 carrying out the duties and responsibilities of a director. A  
13 director serving ex officio is not entitled to reimbursement.

14       (c) The district may obtain and pay for comprehensive  
15 general liability insurance coverage from commercial insurance  
16 companies or other sources that protect and insure the directors  
17 against personal liability and from any and all claims for actions  
18 taken as directors or actions and activities taken by the district  
19 or by others acting on its behalf.

20       Sec. 3869.058. CONFLICTS OF INTEREST. (a) An initial or  
21 appointed director may participate in a board discussion or vote  
22 only if the director complies with Subsection (b).

23       (b) A director who has a substantial interest in a business  
24 or charitable entity that will receive a pecuniary benefit from a  
25 board action shall file an affidavit with the board secretary  
26 declaring the interest. Another affidavit is not required if the  
27 director's interest changes.

1 (c) After the affidavit is filed, the director may  
2 participate in a discussion or vote if:

3 (1) a majority of the appointed directors have a  
4 similar interest in the same entity;

5 (2) all other similar businesses or charitable  
6 entities in the district will receive a similar pecuniary benefit;  
7 or

8 (3) the appointed director is a property owner in the  
9 district.

10 (d) Section 171.004, Local Government Code, does not apply  
11 to the district.

12 Sec. 3869.059. INITIAL DIRECTORS. (a) The initial board  
13 consists of the three ex officio directors described by Section  
14 3869.054 and the following five voting directors:

<u>Place No.</u>	<u>Name of Initial Director</u>
<u>Place 1</u>	<u>Stacy Costello</u>
<u>Place 2</u>	<u>Toni Duclottni</u>
<u>Place 3</u>	<u>Mark Patterson</u>
<u>Place 4</u>	<u>Kevin Mutschler</u>
<u>Place 5</u>	<u>Ronald Batts</u>

21 (b) The terms of the initial directors of Places 1 and 2  
22 expire on July 1, 2011, and the terms of the initial directors of  
23 Places 3, 4, and 5 expire on July 1, 2013.

24 (c) Subsequent voting directors are appointed for four-year  
25 terms by the governing body of the city under Section 3869.052.

26 (d) This section expires September 1, 2013.

27 [Sections 3869.060-3869.100 reserved for expansion]



1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 3869.101. GENERAL POWERS AND DUTIES. The district has  
3 the duties imposed and the powers granted by this chapter and the  
4 powers provided by:

5                   (1) the general laws relating to conservation and  
6 reclamation districts created under Section 59, Article XVI, Texas  
7 Constitution, including Chapters 49 and 54, Water Code;

8                   (2) the general laws relating to road districts and  
9 road utility districts created under Section 52, Article III, Texas  
10 Constitution;

11                   (3) Subchapter A, Chapter 372, Local Government Code,  
12 to a municipality or county;

13                   (4) Chapter 375, Local Government Code;

14                   (5) Chapter 505, Local Government Code, to a  
15 corporation created under that chapter; and

16                   (6) Chapter 1371, Government Code, to an issuer, as  
17 defined by that chapter.

18           Sec. 3869.102. IMPROVEMENT PROJECTS. (a) To the extent  
19 authorized by a project development agreement entered into under  
20 Section 3869.160, the district may provide, or enter into contracts  
21 with a governmental or private entity to provide, the following  
22 types of improvement projects or activities in support of or  
23 incidental to those projects:

24                   (1) a supply and distribution facility or system to  
25 provide potable and nonpotable water to the residents and  
26 businesses of the district, including a wastewater collection  
27 facility;

1           (2) a paved, macadamized, or graveled road or street,  
2 inside and outside the district, to the full extent authorized by  
3 Section 52, Article III, Texas Constitution;

4           (3) the planning, design, construction, improvement,  
5 and maintenance of:

6                   (A) landscaping;

7                   (B) highway right-of-way or transit corridor  
8 beautification and improvement;

9                   (C) lighting, banners, and signs;

10                  (D) a street or sidewalk;

11                  (E) a hiking and cycling path or trail;

12                  (F) a pedestrian walkway, skywalk, crosswalk, or  
13 tunnel;

14                  (G) a beach, park, lake, garden, recreational  
15 facility, community activities center, dock, wharf, sports  
16 facility, open space, scenic area, or related exhibit or preserve;

17                  (H) a fountain, plaza, or pedestrian mall; or

18                  (I) a drainage or storm water detention  
19 improvement;

20           (4) protection and improvement of the quality of storm  
21 water that flows through the district;

22           (5) the planning, design, construction, improvement,  
23 maintenance, and operation of an off-street parking facility or  
24 heliport;

25           (6) the planning, design, construction, improvement,  
26 maintenance, and operation of a water or sewer facility;

27           (7) the planning and acquisition of:

- 1                   (A) public art and sculpture and related exhibits  
2 and facilities; or
- 3                   (B) an educational facility and a cultural  
4 exhibit or facility;
- 5                   (8) the planning, design, construction, acquisition,  
6 lease, rental, improvement, maintenance, installation, and  
7 management of and provision of furnishings for a facility for:
- 8                   (A) a conference, convention, or exhibition;  
9                   (B) a manufacturer, consumer, or trade show;  
10                   (C) a civic, community, or institutional event;
- 11 or
- 12                   (D) an exhibit, display, attraction, special  
13 event, or seasonal or cultural celebration or holiday;
- 14                   (9) the removal, razing, demolition, or clearing of  
15 land or improvements in connection with an improvement project;
- 16                   (10) the acquisition and improvement of land or other  
17 property for the mitigation of the environmental effects of an  
18 improvement project;
- 19                   (11) the acquisition of property or an interest in  
20 property in connection with an authorized improvement project,  
21 including any project authorized by Subchapter A, Chapter 372,  
22 Local Government Code;
- 23                   (12) a special or supplemental service for the  
24 improvement and promotion of the district or an area adjacent to the  
25 district or for the protection of public health and safety or the  
26 environment in or adjacent to the district, including:
- 27                   (A) advertising;

- 1                   (B) promotion;
- 2                   (C) tourism;
- 3                   (D) health and sanitation;
- 4                   (E) public safety;
- 5                   (F) security;
- 6                   (G) fire protection or emergency medical
- 7 services;
- 8                   (H) business recruitment;
- 9                   (I) development;
- 10                   (J) the reduction of automobile traffic volume
- 11 and congestion, including the provision, construction, and
- 12 operation of light rail or streetcar systems and services; and
- 13                   (K) recreational, educational, or cultural
- 14 improvements, enhancements, and services; or
- 15                   (13) any similar public improvement, facility, or
- 16 service.
- 17           (b) The district may not undertake a project under this
- 18 section unless:
- 19                   (1) the board determines the project to be necessary
- 20 to accomplish a public purpose of the district; and
- 21                   (2) the project is authorized by a project development
- 22 agreement entered into under Section 3869.160.
- 23           (c) An improvement project must comply with any applicable
- 24 codes and ordinances of the city.
- 25           (d) The district may not provide, conduct, or authorize any
- 26 improvement project on streets, highways, rights-of-way, or
- 27 easements of the city without the consent of the governing body of

1 the city.

2 (e) The district shall transfer to the city title to all or  
3 any portion of an improvement project as provided by a project  
4 development agreement entered into under Section 3869.160.

5 (f) If authorized by the city, the district may own,  
6 encumber, maintain, and operate an improvement project, subject to  
7 the right of the city to order a conveyance of the project to the  
8 city on a date determined by the city.

9 (g) The district shall immediately comply with an  
10 ordinance, order, or resolution the city adopts to require the  
11 district to transfer title to an improvement project to the city.

12 (h) For the purposes of this section, planning, design,  
13 construction, improvement, and maintenance of a body of water  
14 includes work done for drainage, reclamation, or recreation.

15 Sec. 3869.103. GENERAL POWERS REGARDING CONTRACTS.

16 (a) The district may:

17 (1) contract with any person to accomplish any  
18 district purpose included in a project development agreement  
19 entered into under Section 3869.160, including a contract for:

20 (A) the payment, repayment, or reimbursement of  
21 costs incurred by that person on behalf of the district, including  
22 all or part of the costs of an improvement project and interest on  
23 the reimbursed cost; or

24 (B) the use, occupancy, lease, rental,  
25 operation, maintenance, or management of all or part of a proposed  
26 or existing improvement project; and

27 (2) apply for and contract with any person to receive,

1 administer, and perform a duty or obligation of the district under a  
2 federal, state, local, or private gift, grant, loan, conveyance,  
3 transfer, bequest, or other financial assistance arrangement  
4 relating to the investigation, planning, analysis, study, design,  
5 acquisition, construction, improvement, completion,  
6 implementation, or operation by the district or others of a  
7 proposed or existing improvement project.

8 (b) A contract the district enters into to carry out a  
9 purpose of this chapter may be on any terms and for any period the  
10 board determines, including a negotiable or nonnegotiable note or  
11 warrant payable to the city, Nueces County, or any other person.

12 (c) Any person, including the city, may contract with the  
13 district to carry out the purposes of this chapter without further  
14 statutory or other authorization.

15 Sec. 3869.104. RULES; ENFORCEMENT. (a) The district may  
16 adopt rules:

17 (1) to administer or operate the district;

18 (2) for the use, enjoyment, availability, protection,  
19 security, and maintenance of the district's property and  
20 facilities; or

21 (3) to provide for public safety and security in the  
22 district, including the regulation or prohibition of automobiles  
23 and other motor vehicles from using, entering, or traveling in  
24 certain limited access areas in the district, except for safety and  
25 emergency purposes.

26 (b) The district may enforce its rules by injunctive relief.

27 (c) To the extent a district rule conflicts with a rule,

1 order, ordinance, or regulation of the city, the rule, order,  
2 ordinance, or regulation controls.

3 Sec. 3869.105. NAME CHANGE. The board by resolution may  
4 change the district's name. The board shall give written notice of  
5 the change to the city.

6 Sec. 3869.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF  
7 DISTRICT. (a) The board by rule may regulate the private use of a  
8 public roadway, open space, park, sidewalk, or similar public area  
9 in the district. To the extent the district rules conflict with a  
10 rule, order, ordinance, or regulation of the city, the rule, order,  
11 ordinance, or regulation of the city controls. A rule may provide  
12 for the safe and orderly use of public roadways, open spaces, parks,  
13 sidewalks, and similar public areas or facilities.

14 (b) In addition to any permit required by the city, the  
15 board may require a permit for a parade, demonstration,  
16 celebration, entertainment event, or similar nongovernmental  
17 activity in or on a public roadway, open space, park, sidewalk,  
18 beach, or similar public area or facility owned by the district.  
19 The board may charge a fee for the permit application or for public  
20 safety or security services for those facilities in an amount the  
21 board considers necessary.

22 (c) In addition to any permit required by the city, the  
23 board may require a permit or franchise agreement with a vendor,  
24 concessionaire, exhibitor, or similar private or commercial person  
25 or organization for the limited use of the area or facility owned by  
26 the district on terms and on payment of a permit or franchise fee  
27 the board may impose.

1       Sec. 3869.107. ADDING OR REMOVING TERRITORY. As provided  
2 by Subchapter J, Chapter 49, Water Code, the board may add territory  
3 to the district, subject to Section 54.016, Water Code, or remove  
4 territory from the district, except that:

5           (1) the addition or removal of the territory must be:

6                   (A) included in an amended project development  
7 agreement entered into under Section 3869.160;

8                   (B) approved by the governing body of the city;  
9 and

10                   (C) approved by the owners of the territory being  
11 added or removed;

12           (2) a reference to a tax in Subchapter J, Chapter 49,  
13 or Section 54.016, Water Code, means an ad valorem tax; and

14           (3) territory may not be removed from the district if  
15 bonds or other obligations of the district payable wholly or partly  
16 from ad valorem taxes or assessments levied or assessed on the  
17 territory are outstanding.

18       Sec. 3869.108. ECONOMIC DEVELOPMENT. (a) The district may  
19 create an economic development program authorized by Section 52-a,  
20 Article III, Texas Constitution, and may impose an ad valorem tax in  
21 support of the program if the tax is approved by the district's  
22 voters.

23           (b) The district may exercise the economic development  
24 powers that:

25                   (1) Chapter 380, Local Government Code, provides to a  
26 municipality with a population of more than 100,000; and

27                   (2) Chapter 1509, Government Code, provides to a



1 municipality.

2 Sec. 3869.109. TERMS OF EMPLOYMENT; COMPENSATION. The  
3 board may employ and establish the terms of employment and  
4 compensation of an executive director or general manager and any  
5 other district employees the board considers necessary.

6 Sec. 3869.110. NO EMINENT DOMAIN POWER. The district may  
7 not exercise the power of eminent domain.

8 [Sections 3869.111-3869.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 3869.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.  
11 Except as provided by Section 3869.160, and subject to a project  
12 development agreement entered into under Section 3869.160, the  
13 district may:

14 (1) impose an ad valorem tax on all taxable property in  
15 the district, including industrial, commercial, and residential  
16 property, to pay for an improvement project of a type authorized by  
17 Section 52, Article III, or Section 59, Article XVI, Texas  
18 Constitution, or to secure payment of bonds issued to pay for those  
19 projects;

20 (2) impose an assessment on property in the district  
21 to pay the cost of maintenance of any authorized district  
22 improvement in the manner provided for:

23 (A) a district under Subchapters A, E, and F,  
24 Chapter 375, Local Government Code; or

25 (B) a municipality or county under Subchapter A,  
26 Chapter 372, Local Government Code;

27 (3) provide or secure the payment or repayment of any

1 bond, note, other temporary or permanent obligation,  
2 reimbursement, or other contract with any person; or

3 (4) provide or secure the payment or repayment of the  
4 costs and expenses of the establishment, administration, and  
5 operation of the district and the district's costs or share of the  
6 costs or revenue of an improvement project or district contractual  
7 obligation or indebtedness by or through:

8 (A) the imposition of an ad valorem tax, or an  
9 assessment, user fee, concession fee, or rental charge; or

10 (B) any other revenue or resources of the  
11 district, or other revenues authorized by the city, including  
12 revenues from a tax increment reinvestment zone created by the  
13 city;

14 (5) establish user charges related to the operation of  
15 storm water facilities, including the regulation of storm water for  
16 the protection of water quality in the district;

17 (6) establish user charges for the use of nonpotable  
18 water for irrigation purposes, subject to the approval of the  
19 governing body of the city;

20 (7) undertake separately or jointly with other  
21 persons, including the city or Nueces County, all or part of the  
22 cost of an improvement project, including an improvement project:

23 (A) for improving, enhancing, and supporting  
24 public safety and security, fire protection and emergency medical  
25 services, and law enforcement in and adjacent to the district; or

26 (B) that confers a general benefit on the entire  
27 district or a special benefit on a definable part of the district;

1 and

2 (8) enter into a tax abatement agreement in accordance  
3 with the general laws of this state authorizing and applicable to  
4 tax abatement agreements by municipalities.

5 Sec. 3869.152. BORROWING MONEY. The district may borrow  
6 money for a district purpose included in a project development  
7 agreement entered into under Section 3869.160 by issuing or  
8 executing bonds, notes, credit agreements, or other obligations of  
9 any kind found by the board to be necessary or appropriate for the  
10 district purpose. The bond, note, credit agreement, or other  
11 obligation must be secured by and payable from ad valorem taxes,  
12 assessments, or any combination thereof or from other district  
13 revenue.

14 Sec. 3869.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION.

15 (a) The district may impose an impact fee or assessment included  
16 in a project development agreement entered into under Section  
17 3869.160 on property in the district, including an impact fee or  
18 assessment on residential or commercial property, only in the  
19 manner provided by Subchapter A, Chapter 372, or by Subchapter F,  
20 Chapter 375, Local Government Code, for a municipality, county, or  
21 district, according to the benefit received by the property.

22 (b) An impact fee for residential property must be for the  
23 limited purpose of providing capital funding for:

- 24 (1) public water and wastewater facilities;  
25 (2) drainage and storm water facilities; and  
26 (3) streets and alleys.

27 (c) An assessment, a reassessment, or an assessment

1 resulting from an addition to or correction of the assessment roll  
2 by the district, penalties and interest on an assessment or  
3 reassessment, an expense of collection, and reasonable attorney's  
4 fees incurred by the district are:

5 (1) a first and prior lien against the property  
6 assessed; and

7 (2) superior to any other lien or claim other than a  
8 lien or claim for county, school district, or municipal ad valorem  
9 taxes.

10 (d) The lien of an assessment against property runs with the  
11 land. That portion of an assessment payment obligation that has not  
12 yet come due is not eliminated by the foreclosure of an ad valorem  
13 tax lien, and any purchaser of property in a foreclosure of an ad  
14 valorem tax lien takes the property subject to the assessment  
15 payment obligations that have not yet come due and to the lien and  
16 terms of payment under the assessment ordinance or order.

17 (e) The board may make a correction to or deletion from the  
18 assessment roll that does not increase the amount of assessment of  
19 any parcel of land without providing notice and holding a hearing in  
20 the manner required for additional assessments.

21 (f) The district may not impose an impact fee on the  
22 property, including equipment and facilities, of a public utility  
23 provider in the district.

24 Sec. 3869.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.  
25 Section 375.161, Local Government Code, does not apply to the  
26 district.

27 Sec. 3869.155. MAINTENANCE AND OPERATION TAX; ELECTION.

1 (a) To the extent authorized by a project development agreement  
2 entered into under Section 3869.160, the district may impose a tax  
3 for maintenance and operation purposes, including for:

4 (1) planning, constructing, acquiring, maintaining,  
5 repairing, and operating all improvement projects, including land,  
6 plants, works, facilities, improvements, appliances, and equipment  
7 of the district; and

8 (2) paying costs of services, engineering and legal  
9 fees, and organization and administrative expenses.

10 (b) The district may not impose a maintenance and operation  
11 tax unless the maintenance and operation tax is approved by a  
12 majority of the district voters voting at an election held for that  
13 purpose. The proposition in a maintenance and operation tax  
14 election may be for a specific maximum rate or for an unlimited  
15 rate. If a maximum tax rate is approved, the board may impose the  
16 tax at any rate that does not exceed the approved rate.

17 (c) A maintenance and operation tax election may be held at  
18 the same time and in conjunction with any other district election.  
19 The election may be called by a separate election order or as part  
20 of any other election order.

21 Sec. 3869.156. USE OF SURPLUS MAINTENANCE AND OPERATION  
22 MONEY. If the district has surplus maintenance and operation tax  
23 money that is not needed for the purposes for which it was  
24 collected, the money may be used for any authorized purpose.

25 Sec. 3869.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL  
26 APPROVAL. (a) Except as provided by Sections 3869.159 and  
27 3869.160, the district may issue by competitive bid or negotiated

1 sale bonds, notes, or other obligations payable wholly or partly  
2 from ad valorem taxes, or by assessments in the manner provided by  
3 Subchapter A, Chapter 372, or by Subchapter J, Chapter 375, Local  
4 Government Code.

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

10 (c) In addition to the sources of money described by  
11 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local  
12 Government Code, district bonds may be secured and made payable,  
13 wholly or partly, by a pledge of any part of the money the district  
14 receives from system or improvement revenues or from any other  
15 source, to the extent authorized by a project development agreement  
16 entered into under Section 3869.160.

17 Sec. 3869.158. BOND MATURITY. Bonds may mature not more  
18 than 40 years from their date of issue.

19 Sec. 3869.159. TAXES FOR BONDS AND OTHER OBLIGATIONS.

20 (a) At the time bonds or other obligations payable wholly or  
21 partly from ad valorem taxes are issued:

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

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

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

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

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

7           (b) Bonds or other obligations that are secured by and  
8 payable from ad valorem taxes may not be issued unless the bonds and  
9 the imposition of the taxes are approved by a majority of the  
10 district voters voting at an election held for that purpose.

11           (c) The district shall hold an election required by this  
12 section in the manner provided by Chapter 54, Water Code.

13           Sec. 3869.160. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO  
14 UNDERTAKE PROJECTS, IMPOSE TAXES, OR BORROW MONEY, INCLUDING BONDS.

15           (a) Before the district may undertake projects, issue bonds,  
16 impose taxes, or borrow money, the district and the city must  
17 negotiate and execute a mutually approved and accepted project  
18 development agreement regarding the development plans and rules  
19 for:

20                   (1) the development and operation of the district; and

21                   (2) the financing of improvement projects.

22           (b) The agreement must:

23                   (1) describe each project the district intends to  
24 undertake;

25                   (2) include a financing plan specifying how each  
26 project will be financed; and

27                   (3) provide a procedure and rules for amending the

1 agreement.

2 [Sections 3869.161-3869.200 reserved for expansion]

3 SUBCHAPTER E. DISSOLUTION

4 Sec. 3869.201. DISSOLUTION BY ORDINANCE. (a) The city by  
5 ordinance may dissolve the district on its own volition or at the  
6 request of the board.

7 (b) The city may not dissolve a district until that  
8 district's outstanding indebtedness or contractual obligations  
9 that are payable from ad valorem taxes have been repaid or  
10 discharged.

11 (c) The city may not dissolve a district until the agreement  
12 under Section 3869.160 has been executed and the district's  
13 performance under the agreement has been fulfilled, including any  
14 right or obligation the district has to reimburse a developer or  
15 owner for the costs of improvement projects.

16 Sec. 3869.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

17 (a) If the dissolved district has bonds or other obligations  
18 outstanding secured by and payable from assessments or other  
19 revenue, other than ad valorem taxes, the city shall succeed to the  
20 rights and obligations of the district regarding enforcement and  
21 collection of the assessments or other revenue.

22 (b) The city has and shall exercise all district powers to  
23 enforce and collect the assessments or other revenue to pay:

24 (1) the bonds or other obligations when due and  
25 payable according to their terms; or

26 (2) special revenue or assessment bonds or other  
27 obligations issued by the city to refund the outstanding bonds or



1 obligations.

2 Sec. 3869.203. ASSUMPTION OF ASSETS AND LIABILITIES. After  
3 the city dissolves the district, the city assumes, subject to the  
4 appropriation and availability of funds, the obligations of the  
5 district, including any bonds or other revenue.

6 SECTION 2. The Padre Island Gateway Municipal Management  
7 District shall include the 45.856 acre tract of land out of Blocks 1  
8 and 2, Padre Island - Corpus Christi Section 18, a map of which is  
9 recorded in Volume 38, Pages 69 and 70, Map Records of Nueces  
10 County, Texas; said 45.586 acre tract being more fully described by  
11 metes and bounds as follows:

12 Beginning at a corner of Padre Island Nueces County Park No.  
13 2, for the northwest corner of Lot I, Block 4, Padre Island Section  
14 18, a map of which is recorded in Volume 57, Page 105, Map Records of  
15 Nueces County, Texas, same being the southeast corner of this  
16 tract, from which corner the north boundary of South Padre Island  
17 Drive, a public roadway, for the southwest corner of said Lot 1  
18 bears South 39°12'40" West 399.98 feet;

19 Thence, along the south boundary of this tract as follows:

20 North 39°12'40" East 50.62 feet;

21 North 59°01'18" West 58.15 feet;

22 North 24°49'46" West, 65.47 feet;

23 North 39°28'15" West, 52.76 feet;

24 North 82°20'42" West, 55.35 feet;

25 North 67°56'24" West, 39.39 feet;

26 North 31°45'02" West, 111.21 feet;

27 South 83°02'11" West, 42.36 feet;

- 1 North 69°08'53" West, 50.34 feet;
- 2 North 32°59'21" East, 44.81 feet;
- 3 North 34°17' 14" East, 32.65 feet;
- 4 South 81°37'02" West, 33.57 feet;
- 5 South 38°22'00" West, 35.15 feet;
- 6 North 81°42'50" West, 20.77 feet;
- 7 South 55°30'57" West, 90.72 feet;
- 8 South 87°48'14" West, 33.48 feet;
- 9 South 13°11'52" West, 24.55 feet;
- 10 North 59°56'59" West, 8.13 feet;
- 11 North 00°41'45" East, 40.61 feet;
- 12 North 01°44'23" West, 145.17 feet;
- 13 North 12°01'38" West, 16.72 feet;
- 14 South 86°32'51" West, 156.63 feet;
- 15 South 05°46'00" East, 11.04 feet;
- 16 South 22°36'18" West, 94.42 feet;
- 17 South 32°35'45" West, 119.26 feet;
- 18 South 61°02'05" West, 62.66 feet;
- 19 South 16°12'44" West, 22.95 feet;
- 20 South 28°34'51" West, 30.73 feet;
- 21 South 44°06'14" West, 22.87 feet;
- 22 North 73°02'08" West, 9.22 feet;
- 23 North 04°10'31" West, 24.32 feet;
- 24 North 27°14'31" East, 21.05 feet;
- 25 North 22°53'30" East, 7.43 feet;
- 26 North 88°59'13" West, 51.70 feet;
- 27 North 79°32'56" West, 88.00 feet;

1 North 58°19'46" West, 75.33 feet;  
2 North 71°16' 35" West, 43.42 feet for the southwest corner of  
3 this tract;

4 Thence, along the west boundary of this tract, same being the  
5 southerly shoreline of Packery channel as accepted by Texas General  
6 Land Office per letter dated April 30, 1998, as follows:

7 North 55°13'55" East, 28.37 feet;  
8 South 65°51'29" East, 41.25 feet;  
9 South 64°19'51" East, 64.68 feet;  
10 North 55°13'55" East, 340.15 feet;  
11 North 31°53' 53" East, 30.54 feet;  
12 North 44°56'59" East, 29.80 feet;  
13 North 51°27'13" East, 36.11 feet;  
14 North 65°50'19" East, 55.92 feet;  
15 North 55°35'00" East, 42.51 feet;  
16 North 33°31'45" East, 51.92 feet;  
17 North 38°31'45" East, 17.85 feet;  
18 North 20°25'53" East, 102.95 feet;  
19 North 81°59'03" East, 65.59 feet;  
20 North 72°34'53" East, 67.69 feet;  
21 North 71°49'28" East, 59.60 feet;  
22 North 01°51'03" East, 48.09 feet;  
23 North 17°45'00" East, 64.91 feet;  
24 North 78°04'21" West, 66.41 feet;  
25 South 87°15'19" West, 100.76 feet;  
26 South 49°35'03" West, 65.86 feet;  
27 South 49°10'34" West, 38.32 feet;

1 North 00°43'54" East, 49.68 feet;  
2 North 37°24'35" East, 144.97 feet;  
3 North 37°46'47" East, 112.88 feet;  
4 North 20°05'37" East, 76.29 feet;  
5 North 32°42'34" East, 310.32 feet;  
6 North 40°30'15" East, 113.40 feet;  
7 North 44°0'29" East, 95.30 feet for the northwest corner of  
8 this tract;

9 Thence, along the north boundary of this tract as follows:

10 North 72°59'05" East, 96.30 feet;  
11 South 88°10'08" East, 103.26 feet;  
12 North 89°03'23" East, 166.00 feet;  
13 South 84°18'24" East, 125.72 feet;  
14 South 69°40'03" East, 110.24 feet;  
15 South 71°56'18" East, 51.70 feet;  
16 South 53°05'14" East, 121.61 feet;  
17 South 27°54'36" East, 77.28 feet;  
18 South 60°35'14" East, 107.60 feet;  
19 South 49°53'53" East, 57.14 feet;  
20 South 37°33'52" East, 126.22 feet;  
21 South 37°53'45" East, 108.63 feet;  
22 South 20°07'15" East, 69.56 feet;  
23 North 80°07'23" East, 38.18 feet;  
24 South 55°27'21" East, 94.45 feet;  
25 South 51°43'16" East, 112.40 feet;  
26 South 09°00'57" West, 65.74 feet;  
27 South 37°39'14" East, 146.26 feet;

1 South 45°43'19" East, 131.51 feet;

2 South 41°40'27" East, 76.82 feet for the northeast corner of  
3 this tract;

4 Thence, South 68°11' 13" West, along the east boundary of said  
5 Block 2 and of this tract, same being the west boundary of said  
6 Padre Island Nueces County Park No. 2, a distance of 1592.69 feet to  
7 the Point of Beginning and containing 45.856 acres of land

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

15 (b) The governor, one of the required recipients, has  
16 submitted the notice and Act to the Texas Commission on  
17 Environmental Quality.

18 (c) The Texas Commission on Environmental Quality has filed  
19 its recommendations relating to this Act with the governor, the  
20 lieutenant governor, and the speaker of the house of  
21 representatives within the required time.

22 (d) All requirements of the constitution and laws of this  
23 state and the rules and procedures of the legislature with respect  
24 to the notice, introduction, and passage of this Act are fulfilled  
25 and accomplished.

26 SECTION 4. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

S.B. No. 2550

1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2009.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 2550 passed the Senate on May 14, 2009, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 2550 passed the House on May 27, 2009, by the following vote: Yeas 148, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor