

By: Hinojosa

S.B. No. 2550

A BILL TO BE ENTITLED

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 Section 3869.102, 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 chapter. By creating the district and in authorizing the city and

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

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

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

16 Sec. 3869.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
17 The district is created to serve a public use and benefit.

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

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

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

27 (2) eliminating unemployment and underemployment;

1 (3) providing quality residential housing;

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

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

6 (d) The district will:

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

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

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

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

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

27 (f) The district will not act as the agent or

1 instrumentality of any private interest even though the district
2 will benefit many private interests as well as the public.

3 Sec. 3869.005. DISTRICT TERRITORY. (a) The district is
4 composed of the territory described by Section 2 of the Act enacting
5 this chapter, as that territory may have been modified under
6 Section 3869.107 or 3869.202 or other law.

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

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

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

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

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

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

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

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

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

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

27 (b) If the city creates a tax increment reinvestment zone

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

7 [Sections 3869.007-3869.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 3869.051. GOVERNING BODY; TERMS. The district is
10 governed by a board of five voting directors appointed under
11 Section 3869.052 and three nonvoting directors serving ex officio
12 as provided by Section 3869.054. The five voting directors serve
13 staggered terms of four years.

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

18 Sec. 3869.053. ELIGIBILITY OF APPOINTED DIRECTORS. (a) To
19 be qualified to serve as a voting director appointed under Section
20 3869.052, a person must be at least 18 years old and:

21 (1) a resident of the district who is also a registered
22 voter of the district;

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

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

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

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

3 (b) Section 49.052, Water Code, does not apply to the
4 district.

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

7 (1) an assistant city manager of the city appointed by
8 the city manager of the city;

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

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

11 (b) If an office described in Subsection (a) is renamed,
12 changed, or abolished, the governing body of the city may appoint
13 another officer or employee of the city who performs duties
14 comparable to those performed by the officer described by
15 Subsection (a).

16 Sec. 3869.055. FILING OATH OR AFFIRMATION. An initial and
17 an appointed director's oath or affirmation of office shall be
18 filed with the district and the district shall retain the oath or
19 affirmation in the district records.

20 Sec. 3869.056. OFFICERS. The board shall elect from among
21 the initial and appointed directors a presiding officer, an
22 assistant presiding officer, and a secretary.

23 Sec. 3869.057. COMPENSATION; EXPENSES, LIABILITY INSURANCE
24 FOR DIRECTORS. (a) The district may compensate each initial and
25 each appointed director in an amount not to exceed \$50 for each
26 board meeting. The total amount of compensation per appointed
27 director per year may not exceed \$2,000.

1 (b) An initial or appointed director or a director ex
2 officio is entitled to reimbursement for necessary and reasonable
3 expenses incurred in carrying out the duties and responsibilities
4 of a director.

5 (c) The district may obtain and pay for comprehensive
6 general liability insurance coverage from commercial insurance
7 companies or other sources that protect and insure the directors
8 against personal liability and from any and all claims for actions
9 taken as directors or actions and activities taken by the district
10 or by others acting on its behalf.

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

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

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

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

23 (2) all other similar businesses or charitable
24 entities in the district will receive a similar pecuniary benefit;
25 or

26 (3) the appointed director is a property owner in the
27 district.

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

3 Sec. 3869.059. INITIAL DIRECTORS. (a) The initial board
4 consists of the three ex officio directors described by Section
5 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>

6
7
8
9
10
11
12 (b) The terms of the initial directors of Places 1 and 2
13 expire on July 1, 2011, and the terms of the initial directors of
14 Places 3, 4, and 5 expire on July 1, 2013.

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

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

18 [Sections 3869.060-3869.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 3869.101. GENERAL POWERS AND DUTIES. (a) The district
21 has the duties imposed and the powers granted by this chapter and
22 the powers provided by:

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

26 (2) the general laws relating to road districts and
27 road utility districts created under Section 52, Article III, Texas

1 Constitution;

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

4 (4) Chapter 375, Local Government Code;

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

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

9 (b) It is expressly provided that the district's bonds and
10 other securities, and the activities and appointment of the board
11 of the district, are not subject to the jurisdiction or supervision
12 of the Texas Commission on Environmental Quality under Chapter 49,
13 Water Code, under Chapter 375, Local Government Code, or under any
14 other law.

15 Sec. 3869.102. IMPROVEMENT PROJECTS. (a) The district may
16 provide, or enter into contracts with a governmental or private
17 entity to provide, the following types of improvement projects or
18 activities in support of or incidental to those projects:

19 (1) a supply and distribution facility or system to
20 provide potable and nonpotable water to the residents and
21 businesses of the district, including a wastewater collection
22 facility;

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

26 (3) the planning, design, construction, improvement,
27 and maintenance of:

- 1 (A) landscaping;
- 2 (B) highway right-of-way or transit corridor
- 3 beautification and improvement;
- 4 (C) lighting, banners, and signs;
- 5 (D) a street or sidewalk;
- 6 (E) a hiking and cycling path or trail;
- 7 (F) a pedestrian walkway, skywalk, crosswalk, or
- 8 tunnel;
- 9 (G) a public beach, park, lake, garden,
- 10 recreational facility, community activities center, dock, wharf,
- 11 sports facility, open space, scenic area, or related exhibit or
- 12 preserve;
- 13 (H) a fountain, plaza, or pedestrian mall; or
- 14 (I) a drainage or storm water detention
- 15 improvement;
- 16 (4) protection and improvement of the quality of storm
- 17 water that flows through the district;
- 18 (5) the planning, design, construction, improvement,
- 19 maintenance, and operation of:
- 20 (A) a water or sewer facility; or
- 21 (B) an off-street parking facility or heliport;
- 22 (6) the planning and acquisition of:
- 23 (A) public art and sculpture and related exhibits
- 24 and facilities; or
- 25 (B) an educational facility and a cultural
- 26 exhibit or facility;
- 27 (7) the planning, design, construction, acquisition,

1 lease, rental, improvement, maintenance, installation, and
2 management of and provision of furnishings for a facility for:

3 (A) a conference, convention, or exhibition;

4 (B) a manufacturer, consumer, or trade show;

5 (C) a civic, community, or institutional event;

6 or

7 (D) an exhibit, display, attraction, special
8 event, or seasonal or cultural celebration or holiday;

9 (8) the removal, razing, demolition, or clearing of
10 land or improvements in connection with an improvement project;

11 (9) the acquisition and improvement of land or other
12 property for the mitigation of the environmental effects of an
13 improvement project;

14 (10) the acquisition of property or an interest in
15 property in connection with an authorized improvement project,
16 including any project authorized by Subchapter A, Chapter 372,
17 Local Government Code;

18 (11) a special or supplemental service for the
19 improvement and promotion of the district or an area adjacent to the
20 district or for the protection of public health and safety or the
21 environment in or adjacent to the district, including:

22 (A) advertising;

23 (B) promotion;

24 (C) tourism;

25 (D) health and sanitation;

26 (E) public safety;

27 (F) security;

1 (G) fire protection or emergency medical
2 services;

3 (H) business recruitment;

4 (I) development;

5 (J) the reduction of automobile traffic volume
6 and congestion, including the provision, construction, and
7 operation of light rail or streetcar systems and services; and

8 (K) recreational, educational, or cultural
9 improvements, enhancements, and services; or

10 (12) any similar public improvement, facility, or
11 service.

12 (b) The district may not undertake a project under this
13 section unless the board determines the project to be necessary to
14 accomplish a public purpose of the district.

15 (c) An improvement project must comply with any applicable
16 codes and ordinances of the city.

17 (d) The district may not provide, conduct, or authorize any
18 improvement project on streets, highways, rights-of-way, or
19 easements of the city without the consent of the governing body of
20 the city.

21 (e) At the request of the city, the district shall transfer
22 to the city title to all or any portion of an improvement project.

23 (f) If authorized by the city, the district may own,
24 encumber, maintain, and operate an improvement project, subject to
25 the right of the city to order a conveyance of the project to the
26 city on a date determined by the city.

27 (g) The district shall immediately comply with an

1 ordinance, order, or resolution the city adopts to require the
2 district to transfer title to an improvement project to the city.

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

6 Sec. 3869.103. GENERAL POWERS REGARDING CONTRACTS. (a)

7 The district may:

8 (1) contract with any person to accomplish any
9 district purpose, including a contract for:

10 (A) the payment, repayment, or reimbursement of
11 costs incurred by that person on behalf of the district, including
12 all or part of the costs of an improvement project and interest on
13 the reimbursed cost; or

14 (B) the use, occupancy, lease, rental,
15 operation, maintenance, or management of all or part of a proposed
16 or existing improvement project; and

17 (2) apply for and contract with any person to receive,
18 administer, and perform a duty or obligation of the district under a
19 federal, state, local, or private gift, grant, loan, conveyance,
20 transfer, bequest, or other financial assistance arrangement
21 relating to the investigation, planning, analysis, study, design,
22 acquisition, construction, improvement, completion,
23 implementation, or operation by the district or others of a
24 proposed or existing improvement project.

25 (b) A contract the district enters into to carry out a
26 purpose of this chapter may be on any terms and for any period the
27 board determines, including a negotiable or nonnegotiable note or

1 warrant payable to the city, Nueces County, or any other person.

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

5 Sec. 3869.104. RULES; ENFORCEMENT. (a) The district may
6 adopt rules:

7 (1) to administer or operate the district;

8 (2) for the use, enjoyment, availability, protection,
9 security, and maintenance of the district's property and
10 facilities; or

11 (3) to provide for public safety and security in the
12 district, including the regulation or prohibition of automobiles
13 and other motor vehicles from using, entering, or traveling on the
14 public beaches within the district, except for safety and emergency
15 purposes.

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

17 (c) To the extent a district rule conflicts with a rule,
18 order, ordinance, or regulation of the city, the rule, order,
19 ordinance, or regulation controls.

20 Sec. 3869.105. NAME CHANGE. The board by resolution may
21 change the district's name. The board shall give written notice of
22 the change to the city.

23 Sec. 3869.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF
24 DISTRICT. (a) The board by rule may regulate the private use of a
25 public roadway, open space, park, sidewalk, or similar public area
26 in the district. To the extent the district rules conflict with a
27 rule, order, ordinance, or regulation of the city, the rule, order,

1 ordinance, or regulation of the city controls. A rule may provide
2 for the safe and orderly use of public roadways, open spaces, parks,
3 sidewalks, and similar public areas or facilities.

4 (b) The board may require a permit for a parade,
5 demonstration, celebration, entertainment event, or similar
6 nongovernmental activity in or on a public roadway, open space,
7 park, sidewalk, beach, or similar public area or facility owned by
8 the district. The board may charge a fee for the permit application
9 or for public safety or security services for those facilities in an
10 amount the board considers necessary.

11 (c) The board may require a permit or franchise agreement
12 with a vendor, concessionaire, exhibitor, or similar private or
13 commercial person or organization for the limited use of the area or
14 facility owned by the district on terms and on payment of a permit
15 or franchise fee the board may impose.

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

20 (1) the addition or removal of the territory must be
21 approved by:

22 (A) the governing body of the city; and

23 (B) the owners of the territory being added or
24 removed;

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

27 (3) territory may not be removed from the district if

1 bonds or other obligations of the district payable wholly or partly
2 from ad valorem taxes or assessments levied or assessed on the
3 territory are outstanding.

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

9 (b) The district may exercise the economic development
10 powers that:

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

13 (2) Chapter 1509, Government Code, provides to a
14 municipality.

15 Sec. 3869.109. TERMS OF EMPLOYMENT; COMPENSATION. The
16 board may employ and establish the terms of employment and
17 compensation of an executive director or general manager and any
18 other district employees the board considers necessary.

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

21 [Sections 3869.111-3869.150 reserved for expansion]

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23 Sec. 3869.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.

24 Except as provided by Section 3869.160, the district may:

25 (1) impose an ad valorem tax on all taxable property in
26 the district, including industrial, commercial, and residential
27 property, to pay for an improvement project of a type authorized by

1 Section 52, Article III, or Section 59, Article XVI, Texas
2 Constitution, or to secure payment of bonds issued to pay for those
3 projects;

4 (2) impose an assessment on property in the district
5 to pay the cost of maintenance of any authorized district
6 improvement in the manner provided for:

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

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

11 (3) provide or secure the payment or repayment of any
12 bond, note, other temporary or permanent obligation,
13 reimbursement, or other contract with any person; or

14 (4) provide or secure the payment or repayment of the
15 costs and expenses of the establishment, administration, and
16 operation of the district and the district's costs or share of the
17 costs or revenue of an improvement project or district contractual
18 obligation or indebtedness by or through:

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

21 (B) any other revenue or resources of the
22 district, or other revenues authorized by the city, including
23 revenues from a tax increment reinvestment zone created by the
24 city;

25 (5) establish user charges related to the operation of
26 storm water facilities, including the regulation of storm water for
27 the protection of water quality in the district;

1 (6) establish user charges for the use of nonpotable
2 water for irrigation purposes, subject to the approval of the
3 governing body of the city;

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

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

10 (B) that confers a general benefit on the entire
11 district or a special benefit on a definable part of the district;
12 and

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

16 Sec. 3869.152. BORROWING MONEY. The district may borrow
17 money for a district purpose by issuing or executing bonds, notes,
18 credit agreements, or other obligations of any kind found by the
19 board to be necessary or appropriate for the district purpose. The
20 bond, note, credit agreement, or other obligation must be secured
21 by and payable from ad valorem taxes, assessments, or any
22 combination thereof or from other district revenue.

23 Sec. 3869.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a)
24 The district may impose an impact fee or assessment on property in
25 the district, including an impact fee or assessment on residential
26 or commercial property, only in the manner provided by Subchapter
27 A, Chapter 372, or by Subchapter F, Chapter 375, Local Government

1 Code, for a municipality, county, or district, according to the
2 benefit received by the property.

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

5 (1) public water and wastewater facilities;

6 (2) drainage and storm water facilities; and

7 (3) streets and alleys.

8 (c) An assessment, a reassessment, or an assessment
9 resulting from an addition to or correction of the assessment roll
10 by the district, penalties and interest on an assessment or
11 reassessment, an expense of collection, and reasonable attorney's
12 fees incurred by the district are:

13 (1) a first and prior lien against the property
14 assessed; and

15 (2) superior to any other lien or claim other than a
16 lien or claim for county, school district, or municipal ad valorem
17 taxes.

18 (d) The lien of an assessment against property runs with the
19 land. That portion of an assessment payment obligation that has not
20 yet come due is not eliminated by the foreclosure of an ad valorem
21 tax lien, and any purchaser of property in a foreclosure of an ad
22 valorem tax lien takes the property subject to the assessment
23 payment obligations that have not yet come due and to the lien and
24 terms of payment under the assessment ordinance or order.

25 (e) The board may make a correction to or deletion from the
26 assessment roll that does not increase the amount of assessment of
27 any parcel of land without providing notice and holding a hearing in

1 the manner required for additional assessments.

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

5 Sec. 3869.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.
6 Section 375.161, Local Government Code, does not apply to the
7 district.

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

9 (a) Except as provided by Section 3869.160, the district may impose
10 a tax for maintenance and operation purposes, including for:

11 (1) planning, constructing, acquiring, maintaining,
12 repairing, and operating all improvement projects, including land,
13 plants, works, facilities, improvements, appliances, and equipment
14 of the district; and

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

17 (b) The district may not impose a maintenance and operation
18 tax unless the maintenance and operation tax is approved by a
19 majority of the district voters voting at an election held for that
20 purpose. The proposition in a maintenance and operation tax
21 election may be for a specific maximum rate or for an unlimited
22 rate. If a maximum tax rate is approved, the board may impose the
23 tax at any rate that does not exceed the approved rate.

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

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

5 Sec. 3869.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
6 APPROVAL. (a) Except as provided by Sections 3869.159 and
7 3869.160, the district may issue by competitive bid or negotiated
8 sale bonds, notes, or other obligations payable wholly or partly
9 from ad valorem taxes, or by assessments in the manner provided by
10 Subchapter A, Chapter 372, or by Subchapter J, Chapter 375, Local
11 Government Code.

12 (b) In exercising the district's borrowing power, the
13 district may issue a bond or other obligation in the form of a bond,
14 note, certificate of participation or other instrument evidencing a
15 proportionate interest in payments to be made by the district, or
16 any other type of obligation.

17 (c) In addition to the sources of money described by
18 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
19 Government Code, district bonds may be secured and made payable,
20 wholly or partly, by a pledge of any part of the money the district
21 receives from system or improvement revenues or from any other
22 source.

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

25 Sec. 3869.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a)
26 At the time bonds or other obligations payable wholly or partly from
27 ad valorem taxes are issued:

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

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

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

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

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

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

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

19 Sec. 3869.160. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
20 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
21 may issue bonds, impose taxes, or borrow money, the district and the
22 city must negotiate and execute a mutually approved and accepted
23 project development agreement regarding the development plans and
24 rules for:

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

26 (2) the financing of improvement projects.

27 [Sections 3869.161-3869.200 reserved for expansion]

1 SUBCHAPTER E. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

2 Sec. 3869.201. DIVISION OF DISTRICT; REQUIREMENTS. (a) At
3 any time before the district issues indebtedness secured by ad
4 valorem taxes, the district may be divided into two or more new
5 districts.

6 (b) A new district created by division of the district must
7 be at least 50 acres.

8 (c) Any new district created by the division of the district
9 may not, at the time the new district is created, contain any land
10 outside the area described by Section 2 of the Act enacting this
11 chapter.

12 (d) The board may consider a proposal to divide the district
13 on:

14 (1) a petition of a landowner in the district; or

15 (2) a motion by the board.

16 (e) The board may not divide the district unless the
17 division is approved by the governing body of the city by
18 resolution. The resolution may establish conditions for the
19 division under Subsection (f).

20 (f) If the board decides to divide the district, the board,
21 subject to the resolution adopted under Subsection (e), shall:

22 (1) provide the conditions of the division, including
23 names for the new districts and a plan for the payment or
24 performance of any outstanding district obligations; and

25 (2) prepare a metes and bounds description for each
26 proposed district.

27 Sec. 3869.202. ELECTION FOR DIVISION OF DISTRICT. (a)

1 After the board has complied with Section 3869.201, the board shall
2 hold an election in the district to determine whether the district
3 should be divided as proposed.

4 (b) The board shall give notice of the election not later
5 than the 35th day before the date of the election. The notice must
6 state:

7 (1) the date and location of the election; and

8 (2) the proposition to be voted on.

9 (c) If a majority of the votes cast are in favor of the
10 division:

11 (1) the district is divided; and

12 (2) not later than the 30th day after the date of the
13 election, the district shall provide written notice of the division
14 to the city.

15 (d) If a majority of the votes cast are not in favor of the
16 division, the district is not divided.

17 Sec. 3869.203. APPOINTMENT OF DIRECTORS OF NEW DISTRICTS.

18 (a) Not later than the 90th day after the date of an election in
19 favor of the division of the district:

20 (1) the board shall designate itself as the board of
21 one of the new districts; and

22 (2) the governing body of the city shall appoint five
23 directors having the qualifications established in Section
24 3869.053 for each of the other new districts.

25 (b) The directors serving under Subsection (a)(1) serve the
26 staggered terms for which they were elected in the original
27 district. Two directors appointed under Subsection (a)(2) serve

1 for two years and three directors serve for four years and until the
2 appointment of succeeding directors under Subsection (c).

3 (c) Succeeding directors of all districts shall be
4 appointed by the governing body of the city according to the
5 procedures set forth in Section 3869.052.

6 Sec. 3869.204. CONTINUING POWERS AND OBLIGATIONS OF NEW
7 DISTRICTS. (a) Each new district may incur and pay debts and has
8 all powers of the original district created by this chapter.

9 (b) Each new district has the same limitations or other
10 provisions concerning the city that apply to the original district.

11 (c) If the district is divided as provided by this
12 subchapter, the current obligations and any bond authorizations of
13 the district are not impaired. District debts shall be paid by
14 revenue or by taxes or assessments imposed on real property in the
15 district as if the district had not been divided or by contributions
16 from each new district as stated in the conditions established by
17 the board under Section 3869.201(f).

18 (d) Any other district obligation is divided pro rata among
19 the new districts on an acreage basis or on other terms that are
20 satisfactory to the new districts.

21 Sec. 3869.205. CONTRACT AUTHORITY OF NEW DISTRICTS. The
22 new districts may contract with each other for any matter the boards
23 of the districts consider appropriate.

24 [Sections 3869.206-3869.250 reserved for expansion]

25 SUBCHAPTER F. DISSOLUTION

26 Sec. 3869.251. DISSOLUTION BY ORDINANCE. (a) The city by
27 ordinance may dissolve the district and any additional districts

1 created under Subchapter E.

2 (b) The city may not dissolve a district until that
3 district's outstanding indebtedness or contractual obligations
4 that are payable from ad valorem taxes have been repaid or
5 discharged.

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

11 Sec. 3869.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

12 (a) If the dissolved district has bonds or other obligations
13 outstanding secured by and payable from assessments or other
14 revenue, other than ad valorem taxes, the city shall succeed to the
15 rights and obligations of the district regarding enforcement and
16 collection of the assessments or other revenue.

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

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

21 (2) special revenue or assessment bonds or other
22 obligations issued by the city to refund the outstanding bonds or
23 obligations.

24 Sec. 3869.253. ASSUMPTION OF ASSETS AND LIABILITIES. After
25 the city dissolves the district, the city assumes, subject to the
26 appropriation and availability of funds, the obligations of the
27 district, including any bonds or other revenue.

1 SECTION 2. The district shall include the 45.856 acre tract
2 of land out of Blocks 1 and 2, Padre Island - Corpus Christi Section
3 18, a map of which is recorded in Volume 38, Pages 69 and 70, Map
4 Records of Nueces County, Texas; said 45.586 acre tract being more
5 fully described by metes and bounds as follows:

6 Beginning at a corner of Padre Island Nueces County Park No.
7 2, for the northwest corner of Lot I, Block 4, Padre Island Section
8 18, a map of which is recorded in Volume 57, Page 105, Map Records of
9 Nueces County, Texas, same being the southeast corner of this
10 tract, from which corner the north boundary of South Padre Island
11 Drive, a public roadway, for the southwest corner of said Lot 1
12 bears South 39°12'40" West 399.98 feet;

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

14 North 39°12'40" East 50.62 feet;
15 North 59°01'18" West 58.15 feet;
16 North 24°49'46" West, 65.47 feet;
17 North 39°28'15" West, 52.76 feet;
18 North 82°20'42" West, 55.35 feet;
19 North 67°56'24" West, 39.39 feet;
20 North 31°45'02" West, 111.21 feet;
21 South 83°02'11" West, 42.36 feet;
22 North 69°08'53" West, 50.34 feet;
23 North 32°59'21" East, 44.81 feet;
24 North 34°17' 14" East, 32.65 feet;
25 South 81°37'02" West, 33.57 feet;
26 South 38°22'00" West, 35.15 feet;
27 North 81°42'50" West, 20.77 feet;

1 South 55°30'57" West, 90.72 feet;
2 South 87°48'14" West, 33.48 feet;
3 South 13°11'52" West, 24.55 feet;
4 North 59°56'59" West, 8.13 feet;
5 North 00°41'45" East, 40.61 feet;
6 North 01°44'23" West, 145.17 feet;
7 North 12°01'38" West, 16.72 feet;
8 South 86°32'51" West, 156.63 feet;
9 South 05°46'00" East, 11.04 feet;
10 South 22°36'18" West, 94.42 feet;
11 South 32°35'45" West, 119.26 feet;
12 South 61°02'05" West, 62.66 feet;
13 South 16°12'44" West, 22.95 feet;
14 South 28°34'51" West, 30.73 feet;
15 South 44°06'14" West, 22.87 feet;
16 North 73°02'08" West, 9.22 feet;
17 North 04°10'31" West, 24.32 feet;
18 North 27°14'31" East, 21.05 feet;
19 North 22°53'30" East, 7.43 feet;
20 North 88°59'13" West, 51.70 feet;
21 North 79°32'56" West, 88.00 feet;
22 North 58°19'46" West, 75.33 feet;
23 North 71°16' 35" West, 43.42 feet for the southwest corner of
24 this tract;

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

- 1 North 55°13'55" East, 28.37 feet;
- 2 South 65°51'29" East, 41.25 feet;
- 3 South 64°19'51" East, 64.68 feet;
- 4 North 55°13'55" East, 340.15 feet;
- 5 North 31°53' 53" East, 30.54 feet;
- 6 North 44°56'59" East, 29.80 feet;
- 7 North 51°27'13" East, 36.11 feet;
- 8 North 65°50'19" East, 55.92 feet;
- 9 North 55°35'00" East, 42.51 feet;
- 10 North 33°31'45" East, 51.92 feet;
- 11 North 38°31'45" East, 17.85 feet;
- 12 North 20°25'53" East, 102.95 feet;
- 13 North 81°59'03" East, 65.59 feet;
- 14 North 72°34'53" East, 67.69 feet;
- 15 North 71°49'28" East, 59.60 feet;
- 16 North 01°51'03" East, 48.09 feet;
- 17 North 17°45'00" East, 64.91 feet;
- 18 North 78°04'21" West, 66.41 feet;
- 19 South 87°15'19" West, 100.76 feet;
- 20 South 49°35'03" West, 65.86 feet;
- 21 South 49°10'34" West, 38.32 feet;
- 22 North 00°43'54" East, 49.68 feet;
- 23 North 37°24'35" East, 144.97 feet;
- 24 North 37°46'47" East, 112.88 feet;
- 25 North 20°05'37" East, 76.29 feet;
- 26 North 32°42'34" East, 310.32 feet;
- 27 North 40°30'15" East, 113.40 feet;

1 North 44°0'29" East, 95.30 feet for the northwest corner of
2 this tract;

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

4 North 72°59'05" East, 96.30 feet;
5 South 88°10'08" East, 103.26 feet;
6 North 89°03'23" East, 166.00 feet;
7 South 84°18'24" East, 125.72 feet;
8 South 69°40'03" East, 110.24 feet;
9 South 71°56'18" East, 51.70 feet;
10 South 53°05'14" East, 121.61 feet;
11 South 27°54'36" East, 77.28 feet;
12 South 60°35'14" East, 107.60 feet;
13 South 49°53'53" East, 57.14 feet;
14 South 37°33'52" East, 126.22 feet;
15 South 37°53'45" East, 108.63 feet;
16 South 20°07'15" East, 69.56 feet;
17 North 80°07'23" East, 38.18 feet;
18 South 55°27'21" East, 94.45 feet;
19 South 51°43'16" East, 112.40 feet;
20 South 09°00'57" West, 65.74 feet;
21 South 37°39'14" East, 146.26 feet;
22 South 45°43'19" East, 131.51 feet;
23 South 41°40'27" East, 76.82 feet for the northeast corner of
24 this tract;

25 Thence, South 68°11' 13" West, along the east boundary of said
26 Block 2 and of this tract, same being the west boundary of said
27 Padre Island Nueces County Park No. 2, a distance of 1592.69 feet to

1 the Point of Beginning and containing 45.856 acres of land

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

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

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

16 (d) 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 are fulfilled
19 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.