

AN ACT

relating to the creation of the Galveston County Municipal Utility District No. 62; providing authority to impose taxes and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8144 to read as follows:

CHAPTER 8144. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT

NO. 62

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8144.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Texas City, Texas.

(3) "Director" means a member of the board.

(4) "District" means the Galveston County Municipal Utility District No. 62.

Sec. 8144.002. NATURE OF DISTRICT. The district is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8144.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

1 Sec. 8144.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2 (a) All land and other property included in the district will
3 benefit from the improvements and services to be provided by the
4 district under powers conferred by Section 52, Article III, and
5 Section 59, Article XVI, Texas Constitution.

6 (b) The district is created to accomplish:

7 (1) the same purposes as a municipal utility district
8 as provided by Section 54.012, Water Code;

9 (2) the same purposes as a navigation district created
10 under Section 59, Article XVI, Texas Constitution, and operating
11 under Chapters 60 and 62, Water Code; and

12 (3) to the extent authorized by Section 52, Article
13 III, Texas Constitution, the construction, acquisition,
14 improvement, maintenance, or operation of macadamized, graveled,
15 or paved roads or turnpikes, or improvements in aid of those roads
16 or turnpikes, inside the district.

17 Sec. 8144.005. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act creating this chapter.

20 (b) The boundaries and field notes contained in Section 2 of
21 the Act creating this chapter form a closure. A mistake made in the
22 field notes or in copying the field notes in the legislative process
23 does not affect the district's:

24 (1) organization, existence, or validity;

25 (2) right to issue any type of bond for the purposes
26 for which the district is created or to pay the principal of and
27 interest on a bond;

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

2 (4) legality or operation.

3 [Sections 8144.006-8144.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8144.051. DIRECTORS; TERMS. (a) The district is
6 governed by a board of five directors.

7 (b) Except as provided by Section 8144.053, directors serve
8 staggered four-year terms.

9 Sec. 8144.052. ELECTION OF DIRECTORS. On the uniform
10 election date in May of each even-numbered year, the appropriate
11 number of directors shall be elected.

12 Sec. 8144.053. INITIAL DIRECTORS. (a) The initial board
13 consists of:

14 (1) Carlos C. Quintero;

15 (2) Tom Simmons;

16 (3) Rick Alejo;

17 (4) Justin Harbison; and

18 (5) James A. Willis.

19 (b) The terms of the first three directors named in
20 Subsection (a) expire on the uniform election date in May 2006, and
21 the terms of the last two directors named in Subsection (a) expire
22 on the uniform election date in May 2008.

23 (c) This section expires September 1, 2009.

24 [Sections 8144.054-8144.100 reserved for expansion]

25 SUBCHAPTER C. GENERAL POWERS AND DUTIES

26 Sec. 8144.101. GENERAL POWERS AND DUTIES. The district has
27 the powers and duties necessary to accomplish the purposes for

1 which the district is created.

2 Sec. 8144.102. MUNICIPAL UTILITY DISTRICT POWERS AND
3 DUTIES. The district has the powers and duties provided by the
4 general law of this state, including Chapters 49 and 54, Water Code,
5 applicable to municipal utility districts created under Section 59,
6 Article XVI, Texas Constitution.

7 Sec. 8144.103. NAVIGATION POWERS. The district may
8 purchase, construct, acquire, own, operate, maintain, improve, or
9 extend, inside and outside the district, canals, waterways,
10 bulkheads, docks, and any other improvements or facilities
11 necessary or convenient to accomplish the navigation purposes of
12 the district authorized by Section 59, Article XVI, Texas
13 Constitution.

14 Sec. 8144.104. ROAD PROJECTS. (a) The district may
15 construct, acquire, improve, maintain, or operate macadamized,
16 graveled, or paved roads or turnpikes, or improvements in aid of
17 those roads or turnpikes, inside the district.

18 (b) A road project must meet all applicable construction
19 standards, zoning and subdivision requirements, and regulatory
20 ordinances of the municipality or county in whose jurisdiction the
21 district is located.

22 (c) The district may not undertake a road project unless
23 each municipality or county in whose jurisdiction the district is
24 located consents by ordinance or resolution.

25 Sec. 8144.105. COMPLIANCE WITH MUNICIPAL CONSENT
26 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section
27 54.016, Water Code, the district shall comply with all applicable

1 requirements of any ordinance or resolution adopted by the city
2 council that consents to the creation of the district or to the
3 inclusion of lands within the district.

4 Sec. 8144.106. LIMITATION ON USE OF EMINENT DOMAIN. The
5 district may exercise the power of eminent domain outside the
6 district only to acquire an easement necessary for underground
7 water, sewage, or drainage facilities that serve the district.

8 [Sections 8144.107-8144.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 8144.151. ELECTIONS REGARDING TAXES OR BONDS.

11 (a) Except as provided by Section 8144.201(c), the district may
12 issue, without an election, bonds and other obligations secured by
13 revenue or contract payments from any lawful source other than ad
14 valorem taxation.

15 (b) The district must hold an election in the manner
16 provided by Chapters 49 and 54, Water Code, to obtain voter approval
17 before the district may impose a maintenance tax or issue bonds
18 payable from ad valorem taxes.

19 Sec. 8144.152. AD VALOREM TAX. (a) If authorized at an
20 election held under Section 8144.151, the district may impose an
21 annual ad valorem tax on taxable property in the district for the
22 provision of services or for the maintenance and operation of the
23 district, including the construction, acquisition, maintenance,
24 and operation of improvements.

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

27 [Sections 8144.153-8144.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

1 Sec. 8144.201. AUTHORITY TO ISSUE BONDS AND OTHER
2 OBLIGATIONS. (a) The district may issue bonds or other
3 obligations payable wholly or partly from ad valorem taxes, impact
4 fees, revenue, grants, or other district money, or any combination
5 of those sources, to pay for any authorized district purpose.

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

11 (c) The district may not issue bonds to finance projects
12 authorized by Section 8144.104 unless the issuance is approved by a
13 vote of a two-thirds majority of the voters of the district voting
14 at an election called for that purpose.

15 (d) Bonds or other obligations issued or incurred to finance
16 projects authorized by Section 8144.104 may not exceed one-fourth
17 of the assessed value of the real property in the district.

18 (e) Sections 49.181 and 49.182, Water Code, do not apply to
19 a project undertaken by the district under Section 8144.104 or to
20 bonds issued by the district to finance the project.

21 Sec. 8144.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
22 the time bonds or other obligations payable wholly or partly from ad
23 valorem taxes are issued:

24 (1) the board shall impose a continuing direct annual
25 ad valorem tax, without limit as to rate or amount, for each year
26 that all or part of the bonds are outstanding; and
27

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

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

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

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

10 SECTION 2. The Galveston County Municipal Utility District
11 No. 62 initially includes all the territory contained in the
12 following area:

13 Of 215.1242 acres of land being part of Subdivisions D, E, F, C, and
14 L, of the KOHFELDTS RESUBDIVISION according to the map or plat
15 thereof recorded in Volume 10, Page 35 of the Deed Records of
16 Galveston County, Texas. Said 215.1242 being part of the tracts of
17 land conveyed by deed dated March 22, 2004 from Kohfeldt family
18 Limited Partnership, to Texas Gulf Coast Holdings I LP., as
19 recorded in Galveston County Clerk's File No. GAC 2004020691, of
20 the Deed Records of Galveston County, Texas. Said 215.1242 acres
21 being situated in the Thomas W. Johnson Survey and the James Haggard
22 Survey, Galveston County, Texas, and being more particularly
23 described by metes and bounds as follows; (Bearings based plat
24 calls of said Kohfeldts Resubdivision)

25 COMMENCING at a point for corner at the intersection of the north
26 line of F.M. 1764 with the northeasterly line of the G.H. & H. R.R.
27 railroad right-of-way adjacent to State Highway 3;

1 THENCE North $39^{\circ} 12' 00''$ West, along the said northeasterly line of
2 the G.H. & H. R.R. railroad right-of-way, for a distance of 557.48
3 feet to a to a point for corner;

4 THENCE North, along the west line of said Haggard Survey, for a
5 distance of 3,650.62 feet to a to a point for corner in the north
6 line of 25th Avenue (R.O.W. 120') (also known as Loop 197), said to
7 a point for corner being the southwest corner and PLACE of BEGINNING
8 of the herein described tract;

9 THENCE North, continuing along the west line of said Haggard
10 Survey, for a distance of 3,312.10 feet to the northwest corner of
11 the herein described tract;

12 THENCE North $89^{\circ} 59' 35''$ East, for a distance of 683.93 feet to a to a
13 point for corner;

14 THENCE South, for a distance of 500.00 feet to a to a point for the
15 northwest corner of Lot 1, Block C of said Kohfeldts Resubdivision

16 THENCE North $89^{\circ} 59' 35''$ East, for a distance of 994.76 feet to a to a
17 point for corner in the southwesterly line of a called 190.6 acre
18 tract (Golf Course) conveyed by deed dated August 17, 1971 to the
19 City of Texas City, Texas;

20 THENCE in a southeasterly direction along the perimeter of the
21 190.6 acre tract (Golf Course), the following calls;

22 South $40^{\circ} 33' 00''$ East, for a distance of 833.60 feet to a to a
23 point for corner;

24 South $02^{\circ} 45' 00''$ West, for a distance of 275.00 feet to a to a point
25 for corner;

26 South $44^{\circ} 57' 49''$ East, for a distance of 780.31 feet to a to a
27 point for corner;

1 South 43° 47' 00" East, for a distance of 555.00 feet to a to a point
2 for corner;

3 South 65° 47' 37" East, for a distance of 446.49 feet to a to a
4 point for corner;

5 North 69° 34' 39" East, for a distance of 102.66 feet to a to a
6 point for corner;

7 North 49° 15' 00" East, for a distance of 237.85 feet to a to a point
8 for corner;

9 South 40° 44' 13" East, for a distance of 639.48 feet to a to a
10 point for corner;

11 North 88° 07' 49" East, for a distance of 952.24 feet to a to a point
12 for corner in the west line of a called 8.23 acre tract (Tract 2)
13 conveyed by deed dated August 17, 1971 to the City of Texas City,
14 Texas;

15 THENCE South 37° 08' 52" East, for a distance of 35.32 feet to a to a
16 point for the beginning of a curve to the right;

17 THENCE along said curve having a radius of 200.00 feet, a central
18 angle of 68° 43' 28", a chord bearing and distance of S 02° 56' 25" E,
19 225.78 feet, an arc length of 239.90 feet to a to a point for reverse
20 curve;

21 THENCE along said curve to the left having a radius of 745.49 feet,
22 a central angle of 29° 48' 20", a chord bearing and distance of S 16°
23 31' 10" E, 383.60 feet, an arc length of 387.96 feet to a to a point
24 for corner in the north line of said 25th Avenue (also known as Loop
25 197);

26 THENCE West along the north line of said 25th Avenue (also known as
27 Loop 197), for a distance of 5,253.36 feet to the PLACE OF BEGINNING

1 of herein described tract of land and containing within these calls
2 9,370,811 square feet or 215.1242 acres of land.

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

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

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

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

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2005.

David Newkum
President of the Senate

Jim Coakley
Speaker of the House

I hereby certify that S.B. No. 1802 passed the Senate on May 10, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 24, 2005, by the following vote: Yeas 31, Nays 0.

Patricia Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1802 passed the House, with amendment, on May 20, 2005, by the following vote: Yeas 139, Nays 0, two present not voting.

Robert Haney
Chief Clerk of the House

Approved:

17 JUNE '05
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:20 AM O'CLOCK

JUN 17 2005
Roger Williams
Secretary of State