

CHAPTER 566

S.B. No. 1326

AN ACT

relating to the creation, administration, powers, and authority of the Chambers County Improvement District No. 1; granting the authority to issue bonds.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. CREATION; LEGISLATIVE DECLARATION. (a) There is created a special district to be known as the Chambers County Improvement District No. 1. The district is a governmental agency, a body politic and corporate, and a political subdivision of the state.

(b) The name of the district may be changed by resolution of the board of directors of the district at any time so long as the name is descriptive of the location and the principal powers of the district.

(c) The creation of the district is essential to accomplish the purposes of Article III, Section 52, Article XVI, Section 59, and Article III, Section 52-a, of the Texas Constitution and to accomplish the other purposes of this Act.

(d) The legislature finds, determines, and declares that the creation of the district is necessary to:

- (1) diversify the economy of the state;
- (2) promote, develop, expand, encourage, and maintain employment, commerce, economic development, and the public welfare;
- (3) promote the control, treatment, storage, and distribution of water;
- (4) protect, preserve, and restore the sanitary conditions of water;
- (5) promote the transportation of agricultural, industrial, and commercial products;
- (6) promote the health, safety, and general welfare of:

- (A) property owners, residents, employers, and employees in the district; and
- (B) the general public;

(7) promote the improvement of rivers, bays, creeks, streams, and canals to permit or to aid navigation and commerce; and

(8) promote the construction, maintenance, and operation of streets, roads, highways, turnpikes, and railroads in the greater Cedar Crossing area of Chambers County.

(e) The district will provide funding in the greater Cedar Crossing area needed to preserve, maintain, and enhance the economic health and vitality of the area as a community and a business and industrial center.

(f) The district will not act as the agent or instrumentality of a private interest even though many private interests will be benefited by the district, as will the general public.

(g) The legislature finds, determines, and intends that by creating the district it has established a program to accomplish the public purposes set out in Article III, Section 52-a, of the Texas Constitution.

(h) The legislature finds that all of the land and other property included within the boundaries of the district will be benefited by the improvements and services to be provided by the district under powers conferred by Article III, Section 52, Article XVI, Section 59, and Article III, Section 52-a, of the Texas Constitution, and other powers granted under this Act, and that the district is created to serve a public use and benefit.

(i) This Act shall be liberally construed in conformance with the legislative findings and purposes stated in this Act.

SECTION 2. DEFINITIONS. In this Act:

(1) "Board" means the board of directors of the Chambers County Improvement District No. 1.

(2) "District" means the Chambers County Improvement District No. 1.

(3) "Extraterritorial jurisdiction" has the meaning assigned by Section 42.021, Local Government Code.

SECTION 3. BOUNDARIES. The district includes all of the territory contained within the following described area:

BEING approximately 13,900 acres of land situated in Chambers County, Texas, and being out of and a part of the Christian Smith League, Abstract No. 22, the Thomas Shepherd Survey, Abstract No. 229, the Chambers County School Land Survey, Abstract No. 321, the Solomon Barrow Survey, Abstract No. 3, the John Steele Survey, Abstract No. 227, the J. L. Hill Survey, Abstract No. 106, the J. K. Allen Survey, Abstract No. 31, the J. C. Fisher Survey, Abstract No. 31, the W. D. Smith League, Abstract No. 23 and the John Ijams Survey, Abstract No. 15. This tract of land is more particularly described by metes and bounds as follows, to-wit:

BEGINNING at the Northeast corner of Tract No. 199-B, in the East line of the Chambers County School Land Survey, Abstract No. 321 and in the West line of the Solomon Barrow Survey, Abstract No. 3 and in the South right of way line of the Houston Lighting and Power Company Discharge Canal right of way.

THENCE in a Southerly direction with the East line of this tract, the East line of the Chambers County School Land Survey and the West line of the Solomon Barrow Survey to the Northwest corner of Tract No. 100-A.

THENCE in an Easterly and Southerly direction with the North and East lines of Tract No. 100-A to a point at the intersection of the North line of Tract No. 100-A with the East right of way line of F. M. Highway No. 2354.

THENCE in a Southerly direction with the East right of way line of F. M. Highway No. 2354 to the intersection of the South right of way line of Fisher Road (Rice Farm Road) with the East right of way line of F. M. Highway No. 2354.

THENCE in a Westerly direction with the South right of way line of Fisher Road to the most Northern Northeast corner of Tract No. 89.

THENCE in a Southerly and Easterly direction with the East and North lines of Tract No. 89 to the Northwest corner of a 4.00 acre tract of land conveyed to Chambers County.

THENCE in a Southerly and Easterly direction with the West and South lines of the Chambers County 4.00 acre tract to the intersection of the projection of the South line of the Chambers County 4.00 acre tract with the East right of way line of F. M. Highway No. 2354.

THENCE in a Southerly direction with the East right of way line of F. M. Highway No. 2354 to a point at the intersection of the East right of way line of F. M. Highway No. 2354 with the South line, as extended, of a 0.9796 acre tract of land conveyed to United States Steel Corporation by G. E. Troxell, Jr., by deed recorded in Volume 283 at Page 454 of the Deed Records of Chambers County, Texas.

THENCE in a Westerly direction with the South line of Tract No. 89M said Troxell tract to the Southwest corner of said Troxell tract in the East line of Tract No. 89M.

THENCE in a Southerly direction with the East line of Tract No. 89M to the Southeast corner of Tract No. 89M in the North line of Tract No. 125.

THENCE in a Easterly direction with the North line of Tract No. 125 to the East right of way line of F. M. Highway No. 2354.

THENCE in a Southerly direction with the East right of way line of Highway No. 2354 to the South line of Tract No. 125.

THENCE in a Westerly direction with the South line of Tract No. 125 to the Southwest corner of Tract No. 125 in the East line of Tract No. 119.

THENCE in a Southerly direction with the East line of Tracts No. 119, 118, 117, 117A, 116 to the Southeast corner of Tract No. 116 in the North line of Tract No. 114.

THENCE in a Easterly direction with the North line of Tract No. 114 to the East right of way line of F. M. Highway No. 2354.

THENCE in a Southerly direction with the East right of way line of F. M. Highway No. 2354 to South line of Tract No. 4-D as extended.

THENCE in a Westerly direction with the South line of Tract No. 4-D to the most Northern Northeast corner of Tract No. 10-B.

THENCE in a Southerly direction with the East and Northerly lines of Tract No. 10-B to a point at the intersection of the North line of Tract No. 10-B, as extended, with the East right of way line of F. M. Highway No. 2354.

THENCE in a Southwesterly direction with the East and South right of way line of F. M. Highway No. 2354 to the intersection with the East right of way line of Live Oak Drive.

THENCE in a Southwesterly direction with the East and South right of way line of Live Oak Drive to the intersection of the extended East line of the Nerco Oil and Gas Production Company 2.00 acre tract with the South right of way line of Live Oak Drive.

THENCE in a Northerly direction with the East line of the Nerco Oil and Gas 2.00 acre tract to the Northeast corner of said 2.00 acre tract.

THENCE in a Westerly direction with the North lines of the Nerco 2.00 acre tract, the Exxon 2.00 acre tract and the Exxon 5.00 acre tract of land to the Northwest corner of the Exxon 5.00 acre tract of land.

THENCE in a Southerly direction with the West line of the Exxon 5.00 acre tract to the Southwest corner of the Exxon 5.00 acre tract and a corner of the Jones and Laughlin Tract No. 3.

THENCE in a Westerly direction with the South and West lines of the Jones and Laughlin Tract No. 3 and the shore line of Galveston Bay and San Jacinto Bay and the West line of Tract No. 43 to the Southeast or East shore line of Cedar Bayou.

THENCE in a Northwesterly direction with the shore line of Cedar Bayou and the West line of Tracts No. 43, Atlantic Pipeline 14.3427 acre and 43A to the Southwest corner of the Maurice Hirsch so-called 40.28 acre tract and Northwest corner of Tract No. 43A.

THENCE in a Easterly direction with the South line of the Hirsch tract and the North line of Tract No. 43A to a point in the East right of way line of Tri-City Beach Road at the extension of the North line of Tract No. 43A.

THENCE in a Southerly direction with the East line of Tri-City Beach Road to the West right of way line of F. M. Highway No. 1405.

THENCE in a Northerly direction with the West right of way line of F. M. Highway No. 1405 to the Northeast corner of Tract No. 37.

THENCE in a Westerly direction with the North line of Tract No. 37 to the centerline of Cedar Bayou, being the County Line between Chambers and Harris Counties.

THENCE in a Northerly direction with the centerline of Cedar Bayou and said County Line to a point at the intersection of the centerline of Cedar Bayou with the South line of the Warrior and Gulf 15.00 acre tract.

THENCE in an Easterly, Northerly, Westerly and Southerly direction with the lines of the Warrior Gulf 15 acre tract and the Hoesch Tubular Products Company 25 acre tract lines to a point at the intersection of the West line of Hoesch 25 acre tract, extended, with the centerline of Cedar Bayou and said County Line.

THENCE in a Northerly direction with the centerline of Cedar Bayou to the intersection of the centerline of Cedar Bayou with the extension of the South line of Johnnie and Rosemary Jennings property.

THENCE in a Easterly, Northerly and Westerly direction around the Jennings property to the intersection of the North line of the Jennings property extended with the centerline of Cedar Bayou and said County Line.

THENCE in a Northerly direction with the centerline of Cedar Bayou to the intersection of the centerline of Cedar Bayou with the South line, extended, of a Tract conveyed to McDonugh Company.

THENCE in an Easterly direction with the South line of the McDonugh Company tract to a point for the Southeast corner of the McDonugh Company tract in the West right of way line of West Bay Road (Old F. M. Highway No. 1405).

THENCE in a Northerly direction with the West right of way line of West Bay Road to a point at the intersection of the North line, extended, of Tract No. 35-X.

THENCE in a Easterly direction with the North line of Tract No. 35-X to the Northeast corner of Tract No. 35-X and in the West right of way line of Houston Lighting and Power Company 330 foot right of way and in the West line of Tract No. 5-D.

THENCE in a Northerly direction with the West line of Tract No. 5-D and the West line of said 330 foot right of way to a point in the North right of way line of West Bay Road.

THENCE in an Easterly direction with the North right of way line of West Bay Road to a point for a corner of Tract No. 5-D being in the East right of way line of the old right of way for West Bay Road.

THENCE in an Easterly direction with the North line of Tract No. 5-D to the intersection with the South right of way line of the Houston Lighting and Power Company Discharge Canal.

THENCE in an Easterly direction with the South right of way line of the Houston Lighting and Power Company Discharge Canal to the Northwest corner of a 21.2152 acre tract of land conveyed to Houston Lighting and Power Company.

THENCE in a Southerly direction with the West line of said 21.2152 acre tract to the Southwest corner of said 21.2152 acre tract of land.

THENCE in an Easterly direction with the South line of said 21.2152 acre tract to the Southeast corner of said 21.2152 acre tract of land in the West line of the Coastal Water Authority 5.115 acre tract of land.

THENCE in a Southerly, Easterly and Northerly direction around said Coastal Water Authority 5.115 acre tract to a point for the Northeast corner of said 5.115 acre tract in the South right of way line of the Houston Lighting and Power Company Discharge Canal right of way.

THENCE in an Easterly direction with the South line of the Houston Lighting and Power Company Discharge Canal right of way to the PLACE OF BEGINNING, containing within said boundaries approximately 13,900 acres of land.

SECTION 4. FINDINGS RELATING TO BOUNDARIES. The legislature finds that the boundaries and field notes of the district form a closure. If a mistake is made in the field notes or in copying the field notes in the legislative process, it does not affect the organization, existence, or validity of the district, the right of the district to issue any type of bonds or to issue or enter into other types of obligations for the purposes for which the district is created, or the right of the district to levy and collect assessments or taxes, or affect in any manner the legality or operation of the district or its governing body.

SECTION 5. BOARD OF DIRECTORS. (a) The district is governed by a board of seven directors.

(b) Except for the initial directors, the commissioners court of Chambers County shall appoint directors to represent a director district in the manner provided in Section 375.064, Local Government Code, from a list of candidates recommended by the board in the manner provided in Section 375.064, Local Government Code. Directors serve staggered four-year terms. A vacancy in the office of director shall be filled by the remaining directors for the remainder of the unexpired term.

(c) On the effective date of this Act, the following persons constitute the initial board of directors of the district and are appointed for the terms prescribed by Subsection (d) of this section to represent the following director district positions:

<i>Director District Position</i>	<i>Name of Director</i>
1	Deborah S. Hsi
2	Kandy K. Gregory
3	Langston H. Wood
4	Joseph S. Antoline
5	Donald E. Simpson
6	Robert B. Brown, Jr.
7	Robert Douglas Gates

(d) The initial directors appointed for director district positions 1 through 3 serve until May 1, 1995, and the initial directors appointed for director district positions 4 through 7 serve until May 1, 1997.

(e) Each director appointed by the commissioners court of Chambers County shall meet the qualifications for directors provided by Section 375.063, Local Government Code, for the area included within the boundaries of the director district which such director represents and no person may be appointed as a director or continue to serve as a director unless the person satisfies the requirements set forth in Section 375.063 for the area in the director district such person is appointed to represent. Each director shall qualify for office as required by Subchapter D, Chapter 375, Local Government Code.

(f) The board is governed by Subchapter D, Chapter 375, Local Government Code, to the extent that subchapter does not conflict with this Act. Directors may vote on any matter authorized by Subchapter D, Chapter 375, Local Government Code; however, action may only be taken by the board if it is approved in the manner prescribed by Subchapter D, Chapter 375, Local Government Code.

(g) Each position on the board represents a separate area of the district to be known as a director district. As soon as possible after the effective date of this Act, the board shall establish the boundaries of the director districts over areas in the district that in the board's judgment provide a reasonable balance in the board representation between acreage, value, improvements, and interests of the property owners in the district. All land in the district shall be in a director district. Director districts may not overlap. The board from time to time may establish new boundaries for one or more director districts if it is necessary to provide a reasonable balance in the board representation between acreage, value, improvements, and interests of the property owners in the district.

(h) Directors shall be compensated in the manner provided by Section 54.114, Water Code.

SECTION 6. GENERAL POWERS. (a) The district has all of the rights, powers, privileges, and authority conferred by the general law of this state applicable to districts created under Chapter 375, Local Government Code; Chapter 54, Water Code; Chapter 13,

Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 6674r-1, Vernon's Texas Civil Statutes); and Chapter 623, Acts of the 67th Legislature, Regular Session, 1981 (Article 6550c, Vernon's Texas Civil Statutes). The district also has the rights, powers, privileges, and authority granted to districts by Subchapters E and M, Chapter 60, Water Code, and Section 61.116, Water Code. Bonds or other obligations issued under any of those laws may be secured by revenues, assessments, ad valorem taxes, impact fees, grants, or other funds of the district, or any combination of those funds. The district also has all of those powers granted to municipal management districts under Sections 375.092 and 375.111, Local Government Code, to provide any services or for any project the district is authorized to acquire, construct, or improve under this Act. The district may acquire any interest in land in accordance with Chapter 54, Water Code. If any provision of the referenced laws is in conflict with or is inconsistent with this Act, this Act prevails. All laws or provisions of laws referenced in the Act and subsequent amendments of those laws are adopted and incorporated into this Act for all purposes and may be used by the district independently of each other.

(b) The district may finance the cost of any authorized improvement project or services in the manner provided by any law made applicable to the district. A petition under Section 375.114, Local Government Code, is not required for the board to be authorized to levy taxes, assessments, or impact fees to finance services and improvement projects under this Act.

(c) If the district, in exercising a power conferred by this Act, requires a relocation, adjustment, raising, lowering, rerouting, or changing the grade of or altering the construction of any street, alley, highway, overpass, underpass, road, railroad track, bridge, facility, or property, electric line, conduit, facility, or property, telephone or telegraph line, conduit, facility, or property, gas transmission or distribution pipe, pipeline, main, facility, or property, water, sanitary sewer or storm sewer pipe, pipeline, main, facility, or property, cable television line, cable, conduit, facility, or property, or other pipeline or facility or property relating to the pipeline, that relocation, adjustment, raising, lowering, rerouting, changing of grade, or altering of construction must be accomplished at the sole cost and expense of the district, and damages that are suffered by owners of the property or facilities shall be borne by the district.

(d) The district may not own or operate an airport.

(e) The board shall establish by resolution the number of director signatures or the procedure required for all disbursements or transfers of the district's money.

SECTION 7. TORT CLAIMS. The district is a unit of government for purposes of Chapter 101, Civil Practice and Remedies Code. The operations of the district are essential governmental functions for all purposes and not proprietary functions.

SECTION 8. ANNEXATION AND EXCLUSION OF TERRITORY BY THE DISTRICT. The district may annex land to and exclude land from the district as provided by Chapter 54, Water Code. The district may not annex land in a municipality's extraterritorial jurisdiction unless the municipality consents to the annexation.

SECTION 9. MUNICIPAL ANNEXATION OF THE DISTRICT. A municipality in whose extraterritorial jurisdiction the district is located may annex all or part of the district, notwithstanding any provision of Chapter 43, Local Government Code. Annexation does not result in total or partial dissolution of the district or an assumption by the annexing municipality of any of the district's obligations or indebtedness. Creation of the district does not affect the power of a municipality in whose extraterritorial jurisdiction the district or part of the district lies to designate all or part of the district as an industrial district or to limit a power of the municipality conferred by Chapter 42, Local Government Code. Creation of the district does not affect the power of a municipality to provide municipal services to any area in the municipality or its extraterritorial jurisdiction that is in the district and such municipality shall have the same power to extend or provide municipal services after the creation of the district as it had before its creation. A municipal annexation of all or part of the district has no effect on the validity of the district and the district shall continue to exist and exercise the powers granted by this Act.

SECTION 10. BONDS AND ASSESSMENTS. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenues, grants, or other funds of the district, or any combination of those funds, to pay for any authorized purpose of the district. Bonds or other obligations of the district may be

issued in the form of bonds, notes, certificates of participation, including other instruments evidencing a proportionate interest in payments to be made by the district, or other obligations that are issued in the exercise of the district's borrowing power and may be issued in bearer or registered form or not represented by an instrument but the transfer of which is registered on books maintained by or on behalf of the district. The board may levy and collect an assessment under Subchapter F, Chapter 375, Local Government Code, for any authorized purpose only if the assessment does not conflict with other provisions of this Act.

(b) No approval of bonds issued by the district is required other than the approval of the attorney general as provided by Section 375.205, Local Government Code, and the approval of the Texas Water Commission if the bonds are issued for a purpose that Section 375.208, Local Government Code, requires to be approved by the commission.

(c) Assessments or reassessments by the district, penalties and interest on an assessment or reassessment, expenses of collection, and reasonable attorney fees incurred by the district are a first and prior lien against the property assessed, are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes, and are the personal liability of and charge against the owners of the property even if the owners are not named in the assessment proceedings. The lien is effective from the date of the resolution of the board levying the assessment until the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) Bonds payable from an ad valorem tax levied over the entire district may not be issued in an amount in excess of the greater of (1) \$50 million, or (2) 10 percent of the assessed value of taxable property within the entire district as shown on the most recent certified tax rolls of the county central appraisal district, unless the Texas Water Commission approves the bonds as to feasibility, in which case, the limit on the amount of bonds to be issued shall be that amount set by the Texas Water Commission. This provision will not limit the authority of the district to issue bonds which are not payable from ad valorem taxes levied over the entire district.

SECTION 11. ELECTIONS. The district shall hold elections as provided by Subchapter L, Chapter 375, Local Government Code. The district shall also hold an election in the manner provided by that subchapter for the purpose of obtaining voter approval for the district to levy a maintenance tax or to issue bonds payable from ad valorem taxes or assessments. The board may submit multiple purposes in a single proposition at an election.

SECTION 12. IMPACT FEES. The district may impose an impact fee for an authorized purpose as provided by Subchapter G, Chapter 375, Local Government Code. The district may not impose an impact fee or assessment on a single-family residential property or a residential duplex, triplex, quadruplex, or condominium.

SECTION 13. MAINTENANCE TAX. If authorized at an election held in accordance with Section 11 of this Act, the district may levy and collect an annual ad valorem tax on taxable property in the district for maintenance, operation, and upkeep of the district and the improvements constructed or acquired by the district and the provision of services to industrial and commercial businesses and residents and property owners. The board shall determine the tax rate.

SECTION 14. DISSOLUTION OF THE DISTRICT. The district may be dissolved as provided in Section 375.261 or 375.262, Local Government Code. If the district is dissolved, the district shall remain in existence solely for the limited purpose of discharging its bonds or other obligations according to their terms.

SECTION 15. CONTRACTS FOR SECURITY SERVICES. To protect the public interest, the district may contract with a private entity or a municipality, county, or other political subdivision for services for the security and protection of residents and property in the district.

SECTION 16. COMPETITIVE BIDDING. The district shall contract for services, improvements, or the purchase of materials, machinery, equipment, supplies, or other property in excess of \$25,000 as provided by Section 375.221, Local Government Code, or Subchapter I, Chapter 49, Water Code, as added by H.B. No. 1266, Acts of the 73rd Legislature, Regular Session, 1993.

SECTION 17. NOTICE AND CONSENT. The legislature finds that:

(1) proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and laws of this state, including the Governor of Texas, who has submitted the notice and Act to the Texas Water Commission;

(2) the Texas Water Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time;

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

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

SECTION 18. SEVERABILITY CLAUSE. The provisions of this Act are severable, and if any provision or part of this Act or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Act and the application of that provision or part of this Act to other persons or circumstances is not affected.

SECTION 19. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on April 22, 1993: Yeas 29, Nays 0; the Senate concurred in House amendment on May 25, 1993, by a viva-voce vote; passed the House, with amendment, on May 21, 1993, by a non-record vote.

Approved June 11, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.