

Amend **HB 3578** (Senate committee report) as follows:

(1) Immediately following the enacting clause (page 1, after line 10) insert the following:

ARTICLE 1. UPPER KIRBY MANAGEMENT DISTRICT

(2) Immediately following SECTION 8 (page 3, after line 17) insert the following:

ARTICLE 2. MONTROSE MUSEUM COMMUNITY  
MANAGEMENT DISTRICT

SECTION 1. CREATION OF DISTRICT. (a) The Montrose Museum Community Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The board by resolution may change the name of the district.

SECTION 2. DEFINITIONS. In this article:

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

(2) "District" means the Montrose Museum Community Improvement District.

SECTION 3. DECLARATION OF INTENT. (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 article.

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

(c) This article and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of the effective date of this article, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

SECTION 4. BOUNDARIES. The district includes all the territory contained in the following described area:

All Boundary Descriptions, unless otherwise specified, assume the Center point of the right of way line for all streets mentioned in

the description below.

THE MONTROSE MUSEUM COMMUNITY IMPROVEMENT DISTRICT BOUNDARY LINE  
COMMENCES:

At the southeast corner of the intersection of West Dallas and Montrose Boulevard heading in a northerly direction on Montrose to the intersection of Montrose and Allen Parkway; thence,

Proceeding in an easterly direction on Allen Parkway to the intersection of Allen Parkway and US Hwy 45; continuing in a southerly direction on US Hwy 45 to the intersection of US Hwy 45 and Cleveland; thence,

Heading west along Cleveland to the intersection of Cleveland and Arthur streets; thence,

Where the boundary line intersects with the approved boundary line for the Midtown Management district; thence,

Proceeding from the intersection of Welch and Boston, the boundary line parallels the Midtown Management district boundary line in a southwesterly direction on Boston, as it proceeds in a southeasterly direction on Tuam, and continues in a southerly direction from Tuam to the intersection of Tuam and Bagby, and continues in a southerly direction as Bagby turns into Spur 527; thence,

The boundary line continues to parallel the Midtown Management district boundary line as the boundary line as it proceeds from US Hwy 59, in an easterly direction until it intersects with Main Street, then proceeds in a southwesterly direction until the Midtown Management district boundary line comes to the intersection of Portland and Main; thence,

The Boundary for the Montrose Museum Community Improvement District proceeds in a southwesterly direction along Main Street, paralleling the boundary line for the Greater Southeast Management district until the intersection of Main and Bissonnet Street; thence

The boundary line proceeds in a Westerly direction along Bissonnet Street, until Bissonnet intersects with Montrose Boulevard; thence,

Proceeding north along the western right-of-way line for Montrose Boulevard to the intersection of Montrose and West Dallas; thence,

Proceeding in a westerly direction along the southern right-of-way line of West Dallas to the southeast intersection of Montrose and West Dallas, the point and place of beginning.

SAVE AND EXCEPT all tracts or parcels of land, rights-of-way, facilities and improvements owned by a Utility.

SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;
- (3) right to impose or collect an assessment or tax; or
- (4) legality or operation.

SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

- (1) further the public purposes of development and diversification of the economy of the state;
- (2) eliminate unemployment and underemployment; and
- (3) develop or expand transportation and commerce.

(d) The district will:

- (1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;
- (2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and
- (3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and

developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

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

SECTION 7. APPLICATION OF OTHER LAW. (a) Except as otherwise provided by this article, Chapter 375, Local Government Code, applies to the district.

(b) Chapter 311, Government Code (Code Construction Act), applies to this article.

SECTION 8. CONSTRUCTION OF ACT. This article shall be liberally construed in conformity with the findings and purposes stated in this article.

SECTION 9. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a) Not later than the 30th day before the date of the first board meeting, written notice must be mailed by certified mail, return receipt requested, to each property owner in the district who could be subject to assessment by the district at the address of the property owner as reflected on the most recent certified tax appraisal roll for Harris County.

(b) The notice under Subsection (a) of this section must include:

(1) a description and definition of the Montrose Museum Community Improvement District;

(2) the purpose of the district;

(3) a statement that the district, by action of the board, may charge an assessment for improvements to be made in the district;

(4) the time, date, and location of the first board meeting; and

(5) a method by which the property owner may respond indicating approval or disapproval of the creation of the district.

(c) If the majority of the property owners responding before the time of the first board meeting indicate disapproval of the creation of the district, the board may not take any action, except that the board may schedule another meeting and repeat the process provided by this section.

SECTION 10. BOARD OF DIRECTORS IN GENERAL. (a) The

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

SECTION 16. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

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

SECTION 17. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract to provide law enforcement services in the district for a fee.

SECTION 18. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act on behalf of the district in implementing a project or providing a service authorized by this article.

(b) The board shall appoint the board of directors of a nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

(c) The nonprofit corporation:

(1) has the powers of and is considered for purposes of this article to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this article.

SECTION 19. REQUIREMENTS FOR FINANCING SERVICES AND IMPROVEMENTS. The board may not finance a service or improvement project with assessments under this article unless a written petition requesting that improvement or service has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property subject to the assessment in the district as determined by the most recent certified tax appraisal roll for Harris County.

SECTION 20. ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this article.

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

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

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

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

(c) The lien is effective from the date of the resolution of the board imposing the assessment until the date 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.

SECTION 21. UTILITIES. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of an electric utility or a power generation company as defined by Section 31.002, Utilities Code, of a gas utility as defined by Section 101.003 or 121.001, Utilities Code, of a telecommunications provider as defined by Section 51.002, Utilities Code, or of a cable operator as defined by 47 U.S.C. Section 522 and its subsequent amendments.

SECTION 22. BONDS. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The board may not issue bonds for a service or improvement project under this article unless a written petition requesting that improvement or service has been filed with the board. The petition must be signed by the owners of a majority of the assessed value of real property in the district that will be subject to the assessment as determined by the most recent certified tax appraisal roll for Harris County.

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

SECTION 23. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

SECTION 24. COMPETITIVE BIDDING LIMIT. Section 375.221, Local Government Code, applies to the district only for a contract that has a value of more than \$15,000.

SECTION 25. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

SECTION 26. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos.	Name of Director
No.	
1	Clay Moore

2	Kathy Hubbard
3	John Hansen
4	H. Ken Dedominicis
5	Claude Wynn
6	Brett Littell
7	Raju Adwaney
8	Tom Fricke
9	James                      Robert McDermaid
10	June Deadrick
11	William Paul Thomas
12	Karen Dominoe
13	Jeff Andrews

(b) Of the initial directors, the terms of directors appointed for positions 1 through 7 expire June 1, 2005, and the terms of directors appointed for positions 8 through 13 expire June 1, 2007.

(c) Section 12 of this article does not apply to this section.

(d) This section expires September 1, 2007.

SECTION 27. LEGISLATIVE FINDINGS. The legislature finds that:

(1) proper and legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article 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, who has submitted the notice and article to the Texas Commission on Environmental Quality;

(2) the Texas Commission on Environmental Quality has filed its recommendations relating to this article 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 article have been fulfilled and accomplished.

(3) Strike SECTION 9 of the bill (page 3, lines 18-22) and substitute the following:

ARTICLE 3. EFFECTIVE DATE

SECTION 1. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.