

AN ACT

relating to the creation of the Buffalo Bayou Management District;  
providing the authority to impose taxes and issue bonds.

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

SECTION 1. CREATION OF DISTRICT. (a) The Buffalo Bayou Management 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 Act:

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

(2) "District" means the Buffalo Bayou Management 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 Act.

(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 Act and the creation of the district may not be

1 interpreted to relieve Harris County or the City of Houston from  
2 providing the level of services provided as of the effective date of  
3 this Act, to the area in the district. The district is created to  
4 supplement and not to supplant the county or city services provided  
5 in the area in the district.

6 (d) By creating the district and in authorizing the City of  
7 Houston, Harris County, and other political subdivisions to  
8 contract with the district, the legislature has established a  
9 program to accomplish the public purposes set out in Section 52-a,  
10 Article III, Texas Constitution.

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

13 POINT OF BEGINNING at the intersection of the west boundary line of  
14 the Houston Downtown Management District and the north boundary of  
15 Memorial Drive right-of-way, then west along the north boundary of  
16 Memorial Drive right-of-way to the north boundary of Memorial  
17 Drive's Heights North exit ramp, then northwest along the north  
18 boundary of Memorial Drive's Heights North exit ramp to the east  
19 boundary of Heights boulevard right-of-way, then west across  
20 Heights Boulevard from the east boundary of Heights Boulevard  
21 right-of-way to the west boundary of the Heights Boulevard  
22 right-of-way, then south along the west boundary of Heights  
23 boulevard right-of-way to the north boundary of Memorial Drive's  
24 Memorial West entrance ramp, then southwest along the north  
25 boundary of Memorial Drive's Memorial West entrance ramp to the  
26 northern boundary line of Memorial Drive right-of-way, then west  
27 along the northern boundary line of Memorial Drive right-of-way to

1 the west boundary line of Shepherd Drive right-of-way, then south  
2 along the west boundary line of Shepherd Drive right-of-way to the  
3 centerline of West Dallas, then east along the centerline of West  
4 Dallas to the intersection of the west boundary of Montrose  
5 Boulevard right-of-way and the centerline of West Dallas, then  
6 south along the west boundary line of Montrose Boulevard  
7 right-of-way to the south boundary line of U.S. Highway 59 and the  
8 west boundary line of Montrose Boulevard right-of-way, then in an  
9 easterly direction from said intersection along the south boundary  
10 line of U.S. Highway 59 to the intersection of the west boundary  
11 line of the Main Street right-of-way and then proceeding from said  
12 intersection in a northwesterly direction along the boundary line  
13 of the west Main Street right-of-way paralleling the boundary line  
14 of the Greater Southeast Management District to the intersection of  
15 the boundary line of the south Portland Street right-of-way and the  
16 boundary line of the west Main Street right-of-way, being the  
17 southern boundary line of the Midtown Management District, then  
18 proceeding from said intersection in generally a northeasterly  
19 direction the boundary line parallels the Midtown Management  
20 District boundary line to the intersection of the west boundary  
21 line of the US Hwy 45 right-of-way and the north boundary line of  
22 the Cleveland Street right-of-way, being the western boundary line  
23 of the Houston Downtown Management District, then north from said  
24 intersection along the western boundary line of the Houston  
25 Downtown Management District to the POINT OF BEGINNING.

26 SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries  
27 and field notes of the district form a closure. A mistake in the

1 field notes or in copying the field notes in the legislative process  
2 does not in any way affect the district's:

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

9 SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

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

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

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

22 (d) The district will:

- 23 (1) promote the health, safety, and general welfare of  
24 residents, employers, employees, visitors, and consumers in the  
25 district, and of the public;
- 26 (2) provide needed funding to preserve, maintain, and  
27 enhance the economic health and vitality of the district as a

1 community and business center; and

2 (3) promote the health, safety, welfare, and enjoyment  
3 of the public by providing pedestrian ways and by landscaping and  
4 developing certain areas in the district, which are necessary for  
5 the restoration, preservation, and enhancement of scenic beauty.

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

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

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

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

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

22 SECTION 9. BOARD OF DIRECTORS IN GENERAL. (a) The  
23 district is governed by a board of 31 voting directors appointed  
24 under Section 10 of this Act and nonvoting directors as provided by  
25 Section 11 of this Act.

26 (b) Voting directors serve staggered terms of four years,  
27 with 15 directors' terms expiring June 1 of an odd-numbered year and

1 16 directors' terms expiring June 1 of the following odd-numbered  
2 year.

3 (c) The board may decrease the number of directors on the  
4 board by resolution if the board finds that it is in the best  
5 interest of the district. The board may not consist of fewer than  
6 five directors.

7 SECTION 10. APPOINTMENT OF DIRECTORS. The mayor and  
8 members of the governing body of the City of Houston shall appoint  
9 voting directors. A person is appointed if a majority of the  
10 members of the governing body, including the mayor, vote to appoint  
11 that person.

12 SECTION 11. NONVOTING DIRECTORS. (a) The following  
13 persons shall serve as nonvoting directors:

14 (1) the directors of the following departments of the  
15 City of Houston or a person designated by that director:

- 16 (A) parks and recreation;
- 17 (B) planning and development;
- 18 (C) public works; and
- 19 (D) civic center; and

20 (2) the City of Houston's chief of police.

21 (b) If a department described by Subsection (a) of this  
22 section is consolidated, renamed, or changed, the board may appoint  
23 a director of the consolidated, renamed, or changed department as a  
24 nonvoting director. If a department described by Subsection (a) of  
25 this section is abolished, the board may appoint a representative  
26 of another department that performs duties comparable to those  
27 performed by the abolished department.

1           (c) Nonvoting directors are not counted for the purposes of  
2 establishing a quorum of the board.

3           SECTION 12. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

4           (a) Except as provided by this section:

5                 (1) a voting director may participate in all board  
6 votes and decisions; and

7                 (2) Chapter 171, Local Government Code, governs  
8 conflicts of interest for voting directors.

9           (b) Section 171.004, Local Government Code, does not apply  
10 to the district. A director who has a substantial interest in a  
11 business or charitable entity that will receive a pecuniary benefit  
12 from a board action shall file a one-time affidavit declaring the  
13 interest. An additional affidavit is not required if the  
14 director's interest changes. After the affidavit is filed with the  
15 board secretary, the director may participate in a discussion or  
16 vote on that action if:

17                 (1) a majority of the directors have a similar  
18 interest in the same entity; or

19                 (2) all other similar business or charitable entities  
20 in the district will receive a similar pecuniary benefit.

21           (c) A director who is also an officer or employee of a public  
22 entity may not participate in the discussion of or vote on a matter  
23 regarding a contract with that same public entity.

24           (d) For purposes of this section, a director has a  
25 substantial interest in a charitable entity in the same manner that  
26 a person would have a substantial interest in a business entity  
27 under Section 171.002, Local Government Code.

1 SECTION 13. ADDITIONAL POWERS OF DISTRICT. The district  
2 may exercise the powers given to:

3 (1) a corporation created under Section 4B,  
4 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas  
5 Civil Statutes), including the power to own, operate, acquire,  
6 construct, lease, improve, and maintain projects described by that  
7 section; and

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

11 SECTION 14. AGREEMENTS; GRANTS. (a) The district may make  
12 an agreement with or accept a gift, grant, or loan from any person.

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

16 SECTION 15. LAW ENFORCEMENT SERVICES. To protect the  
17 public interest, the district may contract with Harris County or  
18 the City of Houston to provide law enforcement services in the  
19 district for a fee.

20 SECTION 16. NONPROFIT CORPORATION. (a) The board by  
21 resolution may authorize the creation of a nonprofit corporation to  
22 assist and act on behalf of the district in implementing a project  
23 or providing a service authorized by this Act.

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



1 Transportation Code.

2 (c) The nonprofit corporation:

3 (1) has the powers of and is considered for purposes of  
4 this Act to be a local government corporation created under Chapter  
5 431, Transportation Code; and

6 (2) may implement any project and provide any service  
7 authorized by this Act.

8 SECTION 17. REQUIREMENTS FOR FINANCING SERVICES AND  
9 IMPROVEMENTS. The board may not finance a service or improvement  
10 project with assessments under this Act unless a written petition  
11 requesting that improvement or service has been filed with the  
12 board. The petition must be signed by the owners of a majority of  
13 the assessed value of real property in the district subject to  
14 assessment as determined by the most recent certified tax appraisal  
15 roll for Harris County.

16 SECTION 18. ELECTIONS. (a) The district shall hold an  
17 election in the manner provided by Subchapter L, Chapter 375, Local  
18 Government Code, to obtain voter approval before the district  
19 imposes a maintenance tax or issues bonds payable from ad valorem  
20 taxes.

21 (b) The board may not submit multiple purposes in a single  
22 proposition at an election.

23 (c) Section 375.243, Local Government Code, does not apply  
24 to the district.

25 SECTION 19. MAINTENANCE TAX. (a) If authorized at an  
26 election held in accordance with Section 18 of this Act, the  
27 district may impose an annual ad valorem tax on taxable property in

1 the district for the:

2 (1) maintenance and operation of the district and the  
3 improvements constructed or acquired by the district; or

4 (2) provision of a service.

5 (b) The board shall determine the tax rate.

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

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

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

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

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

22 (c) The lien is effective from the date of the resolution of  
23 the board imposing the assessment until the date the assessment is  
24 paid. The board may enforce the lien in the same manner that the  
25 board may enforce an ad valorem tax lien against real property.

26 (d) The board may make corrections to or deletions from the  
27 assessment roll without providing notice and holding a hearing in

1 the manner required for additional assessments, if the corrections  
2 or deletions do not increase the amount of assessment of any parcel  
3 of land.

4 SECTION 21. UTILITIES. The district may not impose an  
5 impact fee or assessment on the property, including the equipment,  
6 rights-of-way, facilities, or improvements, of an electric utility  
7 or a power generation company as defined by Section 31.002,  
8 Utilities Code, or a gas utility as defined by Section 101.003 or  
9 121.001, Utilities Code, or a telecommunications provider as  
10 defined by Section 51.002, Utilities Code, or a cable operator as  
11 defined by 47 U.S.C. Section 522 and its subsequent amendments.

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

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

22 SECTION 23. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
23 OBLIGATIONS. Except as provided by Section 375.263, Local  
24 Government Code, the City of Houston is not required to pay a bond,  
25 note, or other obligation of the district.

26 SECTION 24. DISBURSEMENTS OR TRANSFERS OF MONEY. The board  
27 by resolution shall establish the number of directors' signatures

1 and the procedure required for a disbursement or transfer of the  
2 district's money.

3 SECTION 25. COMPETITIVE BIDDING LIMIT. Section 375.221,  
4 Local Government Code, applies to the district only for a contract  
5 that has a value of more than \$15,000.

6 SECTION 26. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
7 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
8 that has debt. If the vote is in favor of dissolution, the district  
9 shall remain in existence solely for the limited purpose of  
10 discharging its debts. The dissolution is effective when all debts  
11 have been discharged.

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

14 SECTION 27. TAX AND ASSESSMENT ABATEMENTS. The district  
15 may grant in the manner authorized by Chapter 312, Tax Code, an  
16 abatement for a tax or assessment owed to the district.

17 SECTION 28. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
18 district may join and pay dues to an organization that:

19 (1) enjoys tax-exempt status under Section 501(c)(3),  
20 501(c)(4), or 501(c)(6), Internal Revenue Code of 1986 (26 U.S.C.  
21 Section 501(c)), as amended; and

22 (2) performs services or provides activities  
23 consistent with the furtherance of the purposes of the district.

24 SECTION 29. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
25 All or any part of the area of the district is eligible to be  
26 included in:

27 (1) a tax increment reinvestment zone created by the

1 City of Houston under Chapter 311, Tax Code;

2 (2) a tax abatement reinvestment zone created by the  
3 City of Houston under Chapter 312, Tax Code; or

4 (3) an enterprise zone created by the City of Houston  
5 under Chapter 2303, Government Code.

6 SECTION 30. ECONOMIC DEVELOPMENT PROGRAMS. The district  
7 may establish and provide for the administration of one or more  
8 programs, including programs for making loans and grants of public  
9 money and providing personnel and services of the district, to  
10 promote state or local economic development and to stimulate  
11 business and commercial activity in the district. The district has  
12 all of the powers and authority of a municipality under Chapter 380,  
13 Local Government Code.

14 SECTION 31. INITIAL DIRECTORS. (a) The initial board  
15 consists of the following persons:

	Pos. No.	Name of Director
17	1	Kay Crooker
18	2	Mike Garver
19	3	Jackie Martin
20	4	Mark Lee
21	5	John Chase, Jr.
22	6	Adrian Collins
23	7	Max Schuette
24	8	June Deadrick
25	9	Don Cutrer
26	10	Raju Adwaney
27	11	Mike Mark

1	12	Sia Ravari
2	13	Cherry Walker
3	14	John Hansen
4	15	John Dao
5	16	William Taylor
6	17	Karen Domino
7	18	Kevin Hoffman
8	19	Jeff Andrews
9	20	William Paul Thomas
10	21	Theola Petteway
11	22	Keith Wade
12	23	Chryisse Wilson
13	24	Sadie Rucker
14	25	Julie McClure
15	26	Angie Gomez
16	27	Tom Fricke
17	28	James Robert McDermaid
18	29	Kathy Hubbard
19	30	Marsha Johnson
20	31	Craig Jackson

21 (b) Of the initial directors, the terms of directors  
22 appointed for positions 1 through 15 expire June 1, 2005, and the  
23 terms of directors appointed for positions 16 through 31 expire  
24 June 1, 2007.

25 (c) Section 10 of this Act does not apply to this section.

26 (d) This section expires September 1, 2007.

27 SECTION 32. LEGISLATIVE FINDINGS. The legislature finds

1 that:

2 (1) proper and 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 by  
7 the constitution and laws of this state, including the governor,  
8 who has submitted the notice and Act to the Texas Commission on  
9 Environmental Quality;

10 (2) the Texas Commission on Environmental Quality has  
11 filed its recommendations relating to this Act with the governor,  
12 lieutenant governor, and speaker of the house of representatives  
13 within the required time;

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

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

22 SECTION 33. EFFECTIVE DATE. This Act takes effect  
23 immediately if it receives a vote of two-thirds of all the members  
24 elected to each house, as provided by Section 39, Article III, Texas  
25 Constitution. If this Act does not receive the vote necessary for  
26 immediate effect, this Act takes effect September 1, 2003.

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

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

I hereby certify that S.B. No. 1936 passed the Senate on May 19, 2003, by the following vote: Yeas 31, Nays 0; May 30, 2003, Senate refused to concur in House amendment and requested appointment of Conference Committee; May 30, 2003, House granted request of the Senate; June 1, 2003, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

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

I hereby certify that S.B. No. 1936 passed the House, with amendment, on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting; May 30, 2003, House granted request of the Senate for appointment of Conference Committee; June 1, 2003, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, one present not voting.

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

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor