

By: Wong

H.B. No. 3545

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the Buffalo Bayou Management District and the creation
3 of the East Montrose Management District and the Fourth Ward
4 Management District out of part of the territory of the Buffalo
5 Bayou Management District; authorizing taxes and bonds.

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

7 SECTION 1. Section 4, Chapter 997, Acts of the 78th
8 Legislature, Regular Session, 2003, is amended to read as follows:

9 Sec. 4. BOUNDARIES. The district includes all the
10 territory contained in the following described area:

11 POINT OF BEGINNING at the intersection of the west boundary line of
12 Montrose Boulevard right-of-way and the south boundary line of West
13 Dallas, then west along the south boundary line of West Dallas
14 right-of-way to the intersection of the west boundary of Shepherd
15 Drive right-of-way. Then north along the west boundary of Shepherd
16 Drive right-of-way to the intersection of the south boundary of the
17 Buffalo Bayou. Then west along the south boundary of the Buffalo
18 Bayou to the intersection of the south boundary of the Buffalo Bayou
19 and the west boundary of Westcott Street right-of-way. Then north
20 along the west boundary of Westcott Street right-of-way to the
21 intersection of the north boundary of Feagan Street right-of-way.
22 Then east along the north boundary of Feagan Street right-of-way
23 until the intersection of the north boundary of Feagan Street
24 right-of-way and the west boundary of Jackson Hill Street

1 right-of-way. Then north along the west boundary of Jackson Hill
2 Street right-of-way to the intersection of the north boundary of
3 Raymond Street right-of-way. Then west along the north boundary of
4 Raymond Street right-of-way until the intersection of the east
5 boundary of Heights Boulevard right-of-way. Then north along the
6 east boundary of Heights Boulevard right-of-way to the intersection
7 of the south boundary of Washington Avenue right-of-way. Then east
8 along the south boundary of Washington Avenue right-of-way to the
9 intersection of the west boundary line of Montrose Boulevard
10 right-of-way. Then south along the west boundary line of Montrose
11 Boulevard right-of-way to the POINT OF BEGINNING.

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

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

25 SECTION 2. Sections 9(a) and (b), Chapter 997, Acts of the
26 78th Legislature, Regular Session, 2003, are amended to read as
27 follows:

1 (a) The district is governed by a board of 11 [~~31~~] voting
2 directors appointed under Section 10 of this Act and nonvoting
3 directors as provided by Section 11 of this Act.

4 (b) Voting directors serve staggered terms of four years,
5 with six [~~15~~] directors' terms expiring June 1 of an odd-numbered
6 year and five [~~16~~] directors' terms expiring June 1 of the following
7 odd-numbered year.

8 SECTION 3. Section 17, Chapter 997, Acts of the 78th
9 Legislature, Regular Session, 2003, is amended to read as follows:

10 Sec. 17. REQUIREMENTS FOR FINANCING SERVICES AND
11 IMPROVEMENTS. The board may not finance a service or improvement
12 project with assessments under this Act unless a written petition
13 requesting that improvement or service has been filed with the
14 board. The petition must be signed by:

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

19 (2) at least 50 persons who own real property in the
20 district, if more than 50 persons own real property in the district
21 as determined by the most recent certified tax appraisal roll for
22 Harris County.

23 SECTION 4. Sections 31(a), (b), and (d), Chapter 997, Acts
24 of the 78th Legislature, Regular Session, 2003, are amended to read
25 as follows:

26 (a) The [~~initial~~] board consists of the following persons:

1	Pos. No.	Name of Director
2	1	Kay Crooker
3	2	Mike Garver
4	3	<u>William Taylor</u> [Jackie Martin]
5	4	<u>Max Schuette</u> [Mark Lee]
6	5	<u>Mark Lee</u> [John Chase, Jr.]
7	6	<u>Graham Painter</u> [Adrian Collins]
8	7	<u>Maria Munoz-Blanco</u> [Max Schuette]
9	8	<u>Tom Hook</u> [June Deadrick]
10	9	<u>Susan Keeton</u> [Don Cutrer]
11	10	<u>Claire Caudill</u> [Raju Adwaney]
12	11	<u>Rey de la Reza</u> [Mike Mark
13	[12	[Sia Ravari
14	[13	[Cherry Walker
15	[14	[John Hansen
16	[15	[John Dao
17	[16	[William Taylor
18	[17	[Karen Domino
19	[18	[Kevin Hoffman
20	[19	[Jeff Andrews
21	[20	[William Paul Thomas
22	[21	[Theola Petteway
23	[22	[Keith Wade
24	[23	[Chryisse Wilson
25	[24	[Sadie Rucker
26	[25	[Julie McClure
27	[26	[Angie Gomez

- 1 ~~[27]~~ ~~[Tom Fricke~~
- 2 ~~[28]~~ ~~[James Robert McDermaid~~
- 3 ~~[29]~~ ~~[Kathy Hubbard~~
- 4 ~~[30]~~ ~~[Marsha Johnson~~
- 5 ~~[31]~~ ~~[Craig Jackson]~~

6 (b) Of these ~~[the initial]~~ directors, the terms of directors
7 appointed for positions 1 through 5 ~~[15]~~ expire June 1, 2007 ~~[2005]~~,
8 and the terms of directors appointed for positions 6 ~~[16]~~ through 11
9 ~~[31]~~ expire June 1, 2009 ~~[2007]~~.

10 (d) This section expires September 1, 2009 ~~[2007]~~.

11 SECTION 5. Subtitle C, Title 4, Special District Local Laws
12 Code, is amended by adding Chapter 3848 to read as follows:

13 CHAPTER 3848. EAST MONTROSE MANAGEMENT DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 3848.001. DEFINITIONS. In this chapter:

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

18 (2) "District" means the East Montrose Management
19 District.

20 Sec. 3848.002. EAST MONTROSE MANAGEMENT DISTRICT. The East
21 Montrose Management District is a special district created under
22 Section 59, Article XVI, Texas Constitution.

23 Sec. 3848.003. PURPOSE; DECLARATION OF INTENT. (a) The
24 creation of the district is essential to accomplish the purposes of
25 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
26 Texas Constitution, and other public purposes stated in this
27 chapter. By creating the district and in authorizing the City of

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

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

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

16 Sec. 3848.004. 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:

25 (1) further the public purposes of developing and
26 diversifying the economy of the state;

27 (2) eliminate unemployment and underemployment; and

1 (3) develop or expand transportation and commerce.

2 (d) The district will:

3 (1) promote the health, safety, and general welfare of
4 residents, employers, employees, visitors, and consumers in the
5 district, and of the public;

6 (2) provide needed funding to preserve, maintain, and
7 enhance the economic health and vitality of the district territory
8 as a community and business center; and

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

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

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

21 Sec. 3848.005. DISTRICT TERRITORY. (a) The district is
22 composed of the territory described by Section 6 of the Act enacting
23 this chapter, as that territory may have been modified under:

24 (1) Subchapter J, Chapter 49, Water Code; or

25 (2) other law.

26 (b) The boundaries and field notes of the district contained
27 in Section 6 of the Act enacting this chapter form a closure. A

1 mistake in the field notes or in copying the field notes in the
2 legislative process 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 the bond;

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

8 (4) legality or operation.

9 Sec. 3848.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

10 All or any part of the area of the district is eligible to be
11 included in:

12 (1) a tax increment reinvestment zone created by the
13 City of Houston under Chapter 311, Tax Code;

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

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

18 Sec. 3848.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
19 DISTRICTS LAW. Except as otherwise provided by this chapter,
20 Chapter 375, Local Government Code, applies to the district.

21 Sec. 3848.008. LIBERAL CONSTRUCTION OF CHAPTER. This
22 chapter shall be liberally construed in conformity with the
23 findings and purposes stated in this chapter.

24 [Sections 3848.009-3848.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 3848.051. BOARD OF DIRECTORS; TERMS. (a) The district
27 is governed by a board of 11 voting directors who serve staggered

1 terms of four years, with five or six directors' terms expiring June
2 1 of each odd-numbered year.

3 (b) The board by resolution may change the number of voting
4 directors on the board, but only if the board determines that the
5 change is in the best interest of the district. The board may not
6 consist of fewer than five voting directors.

7 Sec. 3848.052. APPOINTMENT OF DIRECTORS. The mayor and
8 members of the governing body of the City of Houston shall appoint
9 directors from persons recommended by the board. A person is
10 appointed if a majority of the members of the governing body,
11 including the mayor, vote to appoint that person.

12 Sec. 3848.053. NONVOTING DIRECTORS. (a) The following
13 persons 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) is
22 consolidated, renamed, or changed, the board may appoint a director
23 of the consolidated, renamed, or changed department as a nonvoting
24 director. If a department described by Subsection (a) is
25 abolished, the board may appoint a representative of another
26 department that performs duties comparable to those performed by
27 the abolished department.

1 Sec. 3848.054. QUORUM. Nonvoting directors are not counted
2 for the purposes of establishing a board quorum.

3 Sec. 3848.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

4 (a) Except as provided by this section:

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

7 (2) Chapter 171, Local Government Code, governs
8 conflicts of interest for 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 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 Sec. 3848.056. INITIAL VOTING DIRECTORS. (a) The initial
2 board consists of the following voting directors:

3	<u>Pos. No.</u>	<u>Name of Director</u>
4	<u>1</u>	<u>John Rose</u>
5	<u>2</u>	<u>Charles Armstrong</u>
6	<u>3</u>	<u>Aldo Cantania</u>
7	<u>4</u>	<u>John Hansen</u>
8	<u>5</u>	<u>Tom Fricke</u>
9	<u>6</u>	<u>Eduardo Trevino</u>
10	<u>7</u>	<u>Claude Wynn</u>
11	<u>8</u>	<u>Kathy Hubbard</u>
12	<u>9</u>	<u>James Robert McDermaid</u>
13	<u>10</u>	<u>Julie McClure</u>
14	<u>11</u>	<u>Angie Gomez</u>

15 (b) Of the initial directors, the terms of directors
16 appointed for positions 1 through 6 expire June 1, 2007, and the
17 terms of directors appointed for positions 7 through 11 expire June
18 1, 2009.

19 (c) Section 3848.052 does not apply to this section.

20 (d) This section expires September 1, 2009.

21 [Sections 3848.057-3848.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 3848.101. ADDITIONAL POWERS OF DISTRICT. The district
24 may exercise the powers given to:

25 (1) a corporation under Section 4B, Development
26 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
27 Statutes), including the power to own, operate, acquire, construct,

1 lease, improve, or maintain a project described by that section;
2 and

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

6 Sec. 3848.102. NONPROFIT CORPORATION. (a) The board by
7 resolution may authorize the creation of a nonprofit corporation to
8 assist and act for the district in implementing a project or
9 providing a service authorized by this chapter.

10 (b) The nonprofit corporation:

11 (1) has each power of and is considered for purposes of
12 this chapter to be a local government corporation created under
13 Chapter 431, Transportation Code; and

14 (2) may implement any project and provide any service
15 authorized by this chapter.

16 (c) The board shall appoint the board of directors of the
17 nonprofit corporation. The board of directors of the nonprofit
18 corporation shall serve in the same manner as the board of directors
19 of a local government corporation created under Chapter 431,
20 Transportation Code.

21 Sec. 3848.103. AGREEMENTS; GRANTS. (a) The district may
22 make an agreement with or accept a gift, grant, or loan from any
23 person.

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

27 Sec. 3848.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.

1 To protect the public interest, the district may contract with
2 Harris County or the City of Houston to provide law enforcement
3 services in the district for a fee.

4 Sec. 3848.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
5 district may join and pay dues to an organization that:

6 (1) enjoys tax-exempt status under Section 501(c)(3),
7 (4), or (6), Internal Revenue Code of 1986; and

8 (2) performs a service or provides an activity
9 consistent with the furtherance of a district purpose.

10 Sec. 3848.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
11 district may establish and provide for the administration of one or
12 more programs to promote state or local economic development and to
13 stimulate business and commercial activity in the district,
14 including programs to:

15 (1) make loans and grants of public money; and

16 (2) provide district personnel and services.

17 (b) For purposes of this section, the district has all of
18 the powers of a municipality under Chapter 380, Local Government
19 Code.

20 Sec. 3848.107. NO EMINENT DOMAIN. The district may not
21 exercise the power of eminent domain.

22 [Sections 3848.108–3848.150 reserved for expansion]

23 SUBCHAPTER D. FINANCIAL PROVISIONS

24 Sec. 3848.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
25 board by resolution shall establish the number of directors'
26 signatures and the procedure required for a disbursement or
27 transfer of the district's money.

1 Sec. 3848.152. PETITION REQUIRED FOR FINANCING SERVICES AND
2 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
3 service or improvement project with assessments under this chapter
4 unless a written petition requesting that service or improvement
5 has been filed with the board.

6 (b) A petition filed under Subsection (a) must be signed by:

7 (1) the owners of a majority of the assessed value of
8 real property in the district subject to assessment according to
9 the most recent certified tax appraisal roll for Harris County; or

10 (2) at least 50 persons who own real property in the
11 district, if more than 50 persons own real property in the district
12 according to the most recent certified tax appraisal roll for
13 Harris County.

14 Sec. 3848.153. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
15 The board by resolution may impose and collect an assessment for any
16 purpose authorized by this chapter.

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

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

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

27 (3) are the personal liability of and a charge against

1 the owners of the property even if the owners are not named in the
2 assessment proceedings.

3 (c) The lien is effective from the date of the board's
4 resolution imposing the assessment until the date the assessment is
5 paid. The board may enforce the lien in the same manner that the
6 board may enforce an ad valorem tax lien against real property.

7 (d) The board may make a correction to or deletion from the
8 assessment roll that does not increase the amount of assessment of
9 any parcel of land without providing notice and holding a hearing in
10 the manner required for additional assessments.

11 Sec. 3848.154. MAINTENANCE TAX. (a) If authorized at an
12 election held in accordance with Section 3848.157, the district may
13 impose an annual ad valorem tax on taxable property in the district
14 for any district purpose, including to:

- 15 (1) maintain and operate the district;
16 (2) construct or acquire improvements; or
17 (3) provide a service.

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

19 Sec. 3848.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
20 ASSESSMENTS. The district may not impose an impact fee or
21 assessment on the property, including the equipment,
22 rights-of-way, facilities, or improvements, of:

23 (1) an electric utility or a power generation company
24 as defined by Section 31.002, Utilities Code;

25 (2) a gas utility as defined by Section 101.003 or
26 121.001, Utilities Code; or

27 (3) a person who provides to the public cable

1 television or advanced telecommunications services.

2 Sec. 3848.156. BONDS AND OTHER OBLIGATIONS. (a) The
3 district may issue bonds or other obligations payable wholly or
4 partly from taxes, assessments, impact fees, revenue, grants, or
5 other money of the district, or any combination of those sources of
6 money, to pay for any authorized purpose of the district.

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

11 Sec. 3848.157. TAX AND BOND ELECTIONS. (a) The district
12 shall hold an election in the manner provided by Subchapter L,
13 Chapter 375, Local Government Code, to obtain voter approval before
14 the district imposes an ad valorem tax or issues bonds payable from
15 ad valorem taxes.

16 (b) The board may include more than one purpose in a single
17 proposition at an election.

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

20 Sec. 3848.158. CITY NOT REQUIRED TO PAY DISTRICT
21 OBLIGATIONS. Except as provided by Section 375.263, Local
22 Government Code, the City of Houston is not required to pay a bond,
23 note, or other obligation of the district.

24 Sec. 3848.159. COMPETITIVE BIDDING. Section 375.221, Local
25 Government Code, applies to the district only for a contract that
26 has a value greater than \$15,000.

27 Sec. 3848.160. TAX AND ASSESSMENT ABATEMENTS. The district

1 may grant in the manner authorized by Chapter 312, Tax Code, an
2 abatement for a tax or assessment owed to the district.

3 [Sections 3848.161-3848.200 reserved for expansion]

4 SUBCHAPTER E. DISSOLUTION

5 Sec. 3848.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
6 DEBT. (a) The board may dissolve the district regardless of
7 whether the district has debt. Section 375.264, Local Government
8 Code, does not apply to the district.

9 (b) If the district has debt when it is dissolved, the
10 district shall remain in existence solely for the purpose of
11 discharging its debts. The dissolution is effective when all debts
12 have been discharged.

13 SECTION 6. As of the effective date of this Act, the East
14 Montrose Management District includes all territory contained in
15 the following described area in Harris County, Texas:

16 UNLESS otherwise specified, the boundaries of this district will
17 travel along the centerline of each street included, and each
18 intersection will be the intersection of the centerlines of the
19 streets mentioned. POINT OF BEGINNING at the intersection of West
20 Dallas and Montrose Boulevard. Then in a southerly direction along
21 Montrose Boulevard to its intersection with Sul Ross. Then in a
22 westerly direction along Sul Ross to its intersection with
23 Mulberry. Then in a southerly direction along Mulberry to its
24 intersection with Branard, then east along Branard to its
25 intersection with Yupon. Then in a southerly direction along Yupon
26 to where Yupon corners into Colquitt. Then in an easterly direction
27 along Colquitt to its intersection with Graustark. Then in a

1 southerly direction along Graustark to the south boundary line of
2 U.S. Highway 59. Then in an easterly direction from said
3 intersection along the south boundary line of U.S. Highway 59
4 proceeding in a northeasterly direction along Spur 527, then
5 following Spur 527 in a northeasterly direction to its intersection
6 with the easterly line of Milam Street. Then in a northeasterly
7 direction along Milam Street to its intersection with the easterly
8 line of Spur 527. Then in a northerly direction along the easterly
9 line of Spur 527 to Brazos Street. Then in a northeasterly
10 direction along Brazos Street to its intersection with Tuam Avenue.
11 Then in a northwesterly direction along Tuam Avenue to Bagby
12 Street. Then in a northeasterly direction along Bagby Street to
13 McGowen Avenue. Then in a northwesterly direction along the
14 McGowen Avenue to the southerly projection of Bailey Street. Then
15 following the southerly projection of Bailey Street in a northerly
16 direction to Bailey Street. Then in a northerly direction along
17 Bailey Street to the southeast corner of Lot 10 Block 78 of the W.R.
18 Baker Subdivision, Unrecorded. Then in a westerly direction along
19 the south line of said W.R. Baker Unrecorded Subdivision, crossing
20 Gillette Street and continuing to Genesee Street. Then in a
21 northerly direction along Genesee Street to its intersection with
22 Cook Street. Then easterly along Cook Street to Gillette Street.
23 Then northerly along Gillette Street to West Webster Avenue. Then
24 westerly along West Webster Avenue to Genesee Street. Thence
25 northerly along Genesee Street to O'Neil Street. Then easterly
26 along O'Neil Street to Wilson Street. Then northerly along Wilson
27 Street to West Gray Avenue. Then in a westerly and northwesterly

1 direction along West Gray Avenue to its intersection with Mason
2 Street. Then in a northerly direction along Mason Street to Andrews
3 Street. Then in a westerly direction along Andrews Street to its
4 intersection with Taft Street. Then in a northerly direction along
5 Taft Street to its intersection with West Dallas Street. Then in a
6 westerly direction along West Dallas Street to its intersection
7 with Montrose Boulevard at the POINT OF BEGINNING.

8 SECTION 7. Subtitle C, Title 4, Special District Local Laws
9 Code, is amended by adding Chapter 3849 to read as follows:

10 CHAPTER 3849. FOURTH WARD MANAGEMENT DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 3849.001. DEFINITIONS. In this chapter:

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

15 (2) "District" means the Fourth Ward Management
16 District.

17 Sec. 3849.002. FOURTH WARD MANAGEMENT DISTRICT. The Fourth
18 Ward Management District is a special district created under
19 Section 59, Article XVI, Texas Constitution.

20 Sec. 3849.003. PURPOSE; DECLARATION OF INTENT. (a) The
21 creation of the district is essential to accomplish the purposes of
22 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
23 Texas Constitution, and other public purposes stated in this
24 chapter. By creating the district and in authorizing the City of
25 Houston, Harris County, and other political subdivisions to
26 contract with the district, the legislature has established a
27 program to accomplish the public purposes set out in Section 52-a,

1 Article III, Texas Constitution.

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

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

13 Sec. 3849.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
14 The district is created to serve a public use and benefit.

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

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

22 (1) further the public purposes of developing and
23 diversifying the economy of the state;

24 (2) eliminate unemployment and underemployment; and

25 (3) develop or expand transportation and commerce.

26 (d) The district will:

27 (1) promote the health, safety, and general welfare of

1 residents, employers, employees, visitors, and consumers in the
2 district, and of the public;

3 (2) provide needed funding to preserve, maintain, and
4 enhance the economic health and vitality of the district territory
5 as a community and business center; and

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

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

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

18 Sec. 3849.005. DISTRICT TERRITORY. (a) The district is
19 composed of the territory described by Section 8 of the Act enacting
20 this chapter, as that territory may have been modified under:

21 (1) Subchapter J, Chapter 49, Water Code; or

22 (2) other law.

23 (b) The boundaries and field notes of the district contained
24 in Section 8 of the Act enacting this chapter form a closure. A
25 mistake in the field notes or in copying the field notes in the
26 legislative process does not in any way affect the district's:

27 (1) organization, existence, or validity;

1 (2) right to issue any type of bond for a purpose for
2 which the district is created or to pay the principal of and
3 interest on the bond;

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

5 (4) legality or operation.

6 Sec. 3849.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

7 All or any part of the area of the district is eligible to be
8 included in:

9 (1) a tax increment reinvestment zone created by the
10 City of Houston under Chapter 311, Tax Code;

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

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

15 Sec. 3849.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
16 DISTRICTS LAW. Except as otherwise provided by this chapter,
17 Chapter 375, Local Government Code, applies to the district.

18 Sec. 3849.008. LIBERAL CONSTRUCTION OF CHAPTER. This
19 chapter shall be liberally construed in conformity with the
20 findings and purposes stated in this chapter.

21 [Sections 3849.009-3849.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 3849.051. BOARD OF DIRECTORS; TERMS. (a) The district
24 is governed by a board of 11 voting directors who serve staggered
25 terms of four years, with five or six directors' terms expiring June
26 1 of each odd-numbered year.

27 (b) The board by resolution may change the number of voting

1 directors on the board, but only if the board determines that the
2 change is in the best interest of the district. The board may not
3 consist of fewer than five voting directors.

4 Sec. 3849.052. APPOINTMENT OF DIRECTORS. The mayor and
5 members of the governing body of the City of Houston shall appoint
6 directors from persons recommended by the board. A person is
7 appointed if a majority of the members of the governing body,
8 including the mayor, vote to appoint that person.

9 Sec. 3849.053. NONVOTING DIRECTORS. (a) The following
10 persons serve as nonvoting directors:

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

- 13 (A) parks and recreation;
- 14 (B) planning and development;
- 15 (C) public works; and
- 16 (D) civic center; and

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

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

25 Sec. 3849.054. QUORUM. Nonvoting directors are not counted
26 for the purposes of establishing a board quorum.

27 Sec. 3849.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

1 (a) Except as provided by this section:

2 (1) a director may participate in all board votes and
3 decisions; and

4 (2) Chapter 171, Local Government Code, governs
5 conflicts of interest for directors.

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

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

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

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

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

25 Sec. 3849.056. INITIAL VOTING DIRECTORS. (a) The initial
26 board consists of the following voting directors:

27 Pos. No. Name of Director

1	<u>1</u>	<u>Keith Wade</u>
2	<u>2</u>	<u>Karen Domino</u>
3	<u>3</u>	<u>William Taylor</u>
4	<u>4</u>	<u>Sadie Rucker</u>
5	<u>5</u>	<u>Jackie Martin</u>
6	<u>6</u>	<u>Elmo Johnson</u>
7	<u>7</u>	<u>June Deadrick</u>
8	<u>8</u>	<u>Todd Triggs</u>
9	<u>9</u>	<u>Peter Grimm</u>
10	<u>10</u>	<u>Milton Wilson</u>
11	<u>11</u>	<u>Ernie Etuk</u>

12 (b) Of the initial directors, the terms of directors
13 appointed for positions 1 through 6 expire June 1, 2007, and the
14 terms of directors appointed for positions 7 through 11 expire June
15 1, 2009.

16 (c) Section 3849.052 does not apply to this section.

17 (d) This section expires September 1, 2009.

18 [Sections 3849.057-3849.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 3849.101. ADDITIONAL POWERS OF DISTRICT. The district
21 may exercise the powers given to:

22 (1) a corporation under Section 4B, Development
23 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
24 Statutes), including the power to own, operate, acquire, construct,
25 lease, improve, or maintain a project described by that section;
26 and

27 (2) a housing finance corporation created under

1 Chapter 394, Local Government Code, to provide housing or
2 residential development projects in the district.

3 Sec. 3849.102. NONPROFIT CORPORATION. (a) The board by
4 resolution may authorize the creation of a nonprofit corporation to
5 assist and act for the district in implementing a project or
6 providing a service authorized by this chapter.

7 (b) The nonprofit corporation:

8 (1) has each power of and is considered for purposes of
9 this chapter to be a local government corporation created under
10 Chapter 431, Transportation Code; and

11 (2) may implement any project and provide any service
12 authorized by this chapter.

13 (c) The board shall appoint the board of directors of the
14 nonprofit corporation. The board of directors of the nonprofit
15 corporation shall serve in the same manner as the board of directors
16 of a local government corporation created under Chapter 431,
17 Transportation Code.

18 Sec. 3849.103. AGREEMENTS; GRANTS. (a) The district may
19 make an agreement with or accept a gift, grant, or loan from any
20 person.

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

24 Sec. 3849.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.
25 To protect the public interest, the district may contract with
26 Harris County or the City of Houston to provide law enforcement
27 services in the district for a fee.

1 Sec. 3849.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
2 district may join and pay dues to an organization that:

3 (1) enjoys tax-exempt status under Section 501(c)(3),
4 (4), or (6), Internal Revenue Code of 1986; and

5 (2) performs a service or provides an activity
6 consistent with the furtherance of a district purpose.

7 Sec. 3849.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
8 district may establish and provide for the administration of one or
9 more programs to promote state or local economic development and to
10 stimulate business and commercial activity in the district,
11 including programs to:

12 (1) make loans and grants of public money; and

13 (2) provide district personnel and services.

14 (b) For purposes of this section, the district has all of
15 the powers of a municipality under Chapter 380, Local Government
16 Code.

17 Sec. 3849.107. NO EMINENT DOMAIN. The district may not
18 exercise the power of eminent domain.

19 [Sections 3849.108-3849.150 reserved for expansion]

20 SUBCHAPTER D. FINANCIAL PROVISIONS

21 Sec. 3849.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
22 board by resolution shall establish the number of directors'
23 signatures and the procedure required for a disbursement or
24 transfer of the district's money.

25 Sec. 3849.152. PETITION REQUIRED FOR FINANCING SERVICES AND
26 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
27 service or improvement project with assessments under this chapter

1 unless a written petition requesting that service or improvement
2 has been filed with the board.

3 (b) A petition filed under Subsection (a) must be signed by:

4 (1) the owners of a majority of the assessed value of
5 real property in the district subject to assessment according to
6 the most recent certified tax appraisal roll for Harris County; or

7 (2) at least 50 persons who own real property in the
8 district, if more than 50 persons own real property in the district
9 according to the most recent certified tax appraisal roll for
10 Harris County.

11 Sec. 3849.153. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
12 The board by resolution may impose and collect an assessment for any
13 purpose authorized by this chapter.

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

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

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

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

27 (c) The lien is effective from the date of the board's

1 resolution imposing the assessment until the date the assessment is
2 paid. The board may enforce the lien in the same manner that the
3 board may enforce an ad valorem tax lien against real property.

4 (d) The board may make a correction to or deletion from the
5 assessment roll that does not increase the amount of assessment of
6 any parcel of land without providing notice and holding a hearing in
7 the manner required for additional assessments.

8 Sec. 3849.154. MAINTENANCE TAX. (a) If authorized at an
9 election held in accordance with Section 3849.157, the district may
10 impose an annual ad valorem tax on taxable property in the district
11 for any district purpose, including to:

- 12 (1) maintain and operate the district;
- 13 (2) construct or acquire improvements; or
- 14 (3) provide a service.

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

16 Sec. 3849.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
17 ASSESSMENTS. The district may not impose an impact fee or
18 assessment on the property, including the equipment,
19 rights-of-way, facilities, or improvements, of:

- 20 (1) an electric utility or a power generation company
21 as defined by Section 31.002, Utilities Code;
- 22 (2) a gas utility as defined by Section 101.003 or
23 121.001, Utilities Code; or
- 24 (3) a person who provides to the public cable
25 television or advanced telecommunications services.

26 Sec. 3849.156. BONDS AND OTHER OBLIGATIONS. (a) The
27 district may issue bonds or other obligations payable wholly or

1 partly from taxes, assessments, impact fees, revenue, grants, or
2 other money of the district, or any combination of those sources of
3 money, to pay for any authorized purpose of the district.

4 (b) The district may issue a bond or other obligation in the
5 form of a bond, note, certificate of participation or other
6 instrument evidencing a proportionate interest in payments to be
7 made by the district, or other type of obligation.

8 Sec. 3849.157. TAX AND BOND ELECTIONS. (a) The district
9 shall hold an election in the manner provided by Subchapter L,
10 Chapter 375, Local Government Code, to obtain voter approval before
11 the district imposes an ad valorem tax or issues bonds payable from
12 ad valorem taxes.

13 (b) The board may include more than one purpose in a single
14 proposition at an election.

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

17 Sec. 3849.158. CITY NOT REQUIRED TO PAY DISTRICT
18 OBLIGATIONS. Except as provided by Section 375.263, Local
19 Government Code, the City of Houston is not required to pay a bond,
20 note, or other obligation of the district.

21 Sec. 3849.159. COMPETITIVE BIDDING. Section 375.221, Local
22 Government Code, applies to the district only for a contract that
23 has a value greater than \$15,000.

24 Sec. 3849.160. TAX AND ASSESSMENT ABATEMENTS. The district
25 may grant in the manner authorized by Chapter 312, Tax Code, an
26 abatement for a tax or assessment owed to the district.

27 [Sections 3849.161-3849.200 reserved for expansion]

1 SUBCHAPTER E. DISSOLUTION

2 Sec. 3849.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
3 DEBT. (a) The board may dissolve the district regardless of
4 whether the district has debt. Section 375.264, Local Government
5 Code, does not apply to the district.

6 (b) If the district has debt when it is dissolved, the
7 district shall remain in existence solely for the purpose of
8 discharging its debts. The dissolution is effective when all debts
9 have been discharged.

10 SECTION 8. As of the effective date of this Act, the Fourth
11 Ward Management District includes all territory contained in the
12 following described area in Harris County, Texas:

13 UNLESS otherwise specified, the boundaries of this district will
14 travel along the centerline of each street included, and each
15 intersection will be the intersection of the centerlines of the
16 streets mentioned. POINT OF BEGINNING at the intersection of
17 Heiner Street with Allen Parkway. Then in a westerly direction
18 along Allen Parkway to its intersection with Montrose Boulevard.
19 Then in a southerly direction along Montrose Boulevard to its
20 intersection with West Dallas Street. Then in an easterly
21 direction along West Dallas Street to its intersection with Taft
22 Street. Then in a southerly direction along Taft Street to its
23 intersection with Welch Avenue. Then in an easterly direction
24 along Welch Avenue to its intersection with Genesee Street and
25 Dennis Avenue. Then in a northerly direction along Genesee Street
26 to its intersection with Sutton. Then in an easterly direction
27 along Sutton to its intersection with Bailey Street.

1 Then in a northerly direction along Bailey Street to its
2 intersection with West Webster Avenue. Then in an easterly
3 direction along West Webster Avenue to its intersection with
4 Webster Avenue. Then in a northwesterly direction along Webster
5 Avenue to its intersection with West Gray Avenue. Then in an
6 easterly and southeasterly direction along West Gray Avenue to its
7 intersection with Baldwin Street. Then in a northeasterly
8 direction along Baldwin Street to its intersection with St. Joseph.
9 Then in a northwesterly direction along St. Joseph to the southerly
10 dead end of Arthur Street. Then in a northerly direction along
11 Arthur Street to its intersection with Cleveland Street. Then in an
12 easterly direction along Cleveland Street to its intersection with
13 Heiner Street. Then in a northerly direction along Heiner Street to
14 the POINT OF BEGINNING.

15 SECTION 9. The legislature finds that:

16 (1) proper and legal notice of the intention to
17 introduce this Act, setting forth the general substance of this
18 Act, has been published as provided by law, and the notice and a
19 copy of this Act have been furnished to all persons, agencies,
20 officials, or entities to which they are required to be furnished by
21 the constitution and laws of this state, including the governor,
22 who has submitted the notice and Act to the Texas Commission on
23 Environmental Quality;

24 (2) the Texas Commission on Environmental Quality has
25 filed its recommendations relating to this Act with the governor,
26 lieutenant governor, and speaker of the house of representatives
27 within the required time;

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

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

9 SECTION 10. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2005.