

1 AN ACT

2 relating to the creation of the Towne Lake Management District;
3 providing authority to levy an assessment, impose a tax, and issue
4 bonds.

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

6 SECTION 1. TOWNE LAKE MANAGEMENT DISTRICT. Subtitle C,
7 Title 4, Special District Local Laws Code, is amended by adding
8 Chapter 3839 to read as follows:

9 CHAPTER 3839. TOWNE LAKE MANAGEMENT DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 3839.001. DEFINITIONS. In this chapter:

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

14 (2) "District" means the Towne Lake Management
15 District.

16 Sec. 3839.002. TOWNE LAKE MANAGEMENT DISTRICT. The Towne
17 Lake Management District is a special district created under
18 Section 59, Article XVI, Texas Constitution.

19 Sec. 3839.003. PURPOSE; DECLARATION OF INTENT. (a) The
20 creation of the district is essential to accomplish the purposes of
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
22 Texas Constitution, and other public purposes stated in this
23 chapter. By creating the district and in authorizing the City of
24 Houston, Harris County, and other political subdivisions to

1 contract with the district, the legislature has established a
2 program to accomplish the public purposes set out in Section 52-a,
3 Article III, Texas Constitution.

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

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

15 Sec. 3839.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
16 The district is created to serve a public use and benefit.

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

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

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

26 (2) eliminate unemployment and underemployment; and

27 (3) develop or expand transportation and commerce.

1 (d) The district will:

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

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

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

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

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

20 Sec. 3839.005. DISTRICT TERRITORY. (a) The district is
21 composed of the territory described by Section 2 of the Act enacting
22 this chapter, as that territory may have been modified under:

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

24 (2) other law.

25 (b) The boundaries and field notes of the district contained
26 in Section 2 of the Act enacting this chapter form a closure. A
27 mistake in the field notes or in copying the field notes in the

1 legislative process does not in any way affect the district's:

2 (1) organization, existence, or validity;

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

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

7 (4) legality or operation.

8 Sec. 3839.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

11 (1) a tax increment reinvestment zone created under
12 Chapter 311, Tax Code;

13 (2) a tax abatement reinvestment zone created under
14 Chapter 312, Tax Code; or

15 (3) an enterprise zone created under Chapter 2303,
16 Government Code.

17 Sec. 3839.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
18 DISTRICTS LAW. Except as otherwise provided by this chapter,
19 Chapter 375, Local Government Code, applies to the district.

20 Sec. 3839.008. LIBERAL CONSTRUCTION OF CHAPTER. This
21 chapter shall be liberally construed in conformity with the
22 findings and purposes stated in this chapter.

23 [Sections 3839.009-3839.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3839.051. GOVERNING BODY; TERMS. (a) The district is
26 governed by a board of five voting directors who serve staggered
27 terms of four years, with two or three directors' terms expiring

1 June 1 of each odd-numbered year.

2 (b) The board by resolution may change the number of voting
3 directors on the board, but only if the board determines that the
4 change is in the best interest of the district. The board may not
5 consist of fewer than five or more than 15 voting directors.

6 Sec. 3839.052. APPOINTMENT OF DIRECTORS. The Texas
7 Commission on Environmental Quality shall appoint voting directors
8 from persons recommended by the board.

9 Sec. 3839.053. NONVOTING DIRECTORS. The board may appoint
10 nonvoting directors to serve at the pleasure of the voting
11 directors.

12 Sec. 3839.054. QUORUM. For purposes of determining the
13 requirements for a quorum, the following are not counted:

14 (1) a board position vacant for any reason, including
15 death, resignation, or disqualification;

16 (2) a director who is abstaining from participation in
17 a vote because of a conflict of interest; or

18 (3) a nonvoting director.

19 Sec. 3839.055. COMPENSATION. Sections 375.069 and 375.070,
20 Local Government Code, do not apply to the board.

21 Sec. 3839.056. INITIAL VOTING DIRECTORS. (a) The initial
22 board consists of the following voting directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>David Templeton</u>
<u>2</u>	<u>William F. Heavin</u>
<u>3</u>	<u>Larry Covert</u>
<u>4</u>	<u>Tom Read</u>

5

Michael C. Shannon

(b) Of the initial voting directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2009, and the terms of directors appointed for positions 4 and 5 expire June 1, 2011.

(c) Section 3839.052 does not apply to this section.

(d) This section expires September 1, 2012.

[Sections 3839.057-3839.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3839.101. INDUSTRIAL DEVELOPMENT CORPORATION POWERS.

The district may exercise the powers given to an industrial development corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that section.

Sec. 3839.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter 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 chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit

1 corporation shall serve in the same manner as the board of directors
2 of a local government corporation created under Chapter 431,
3 Transportation Code, except that a director of the corporation is
4 not required to reside in the district.

5 Sec. 3839.103. AGREEMENTS; GRANTS. (a) The district may
6 make an agreement with or accept a gift, grant, or loan from any
7 person.

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

11 Sec. 3839.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.
12 To protect the public interest, the district may contract with a
13 qualified party including Harris County or the City of Houston for
14 the county or the city to provide law enforcement services in the
15 district for a fee.

16 Sec. 3839.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
17 district may join and pay dues to a charitable or nonprofit
18 organization that performs a service or provides an activity
19 consistent with the furtherance of a district purpose.

20 Sec. 3839.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
21 district may establish and provide for the administration of one or
22 more programs to promote state or local economic development and to
23 stimulate business and commercial activity in the district,
24 including programs to:

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

26 (2) provide district personnel and services.

27 (b) For purposes of this section, the district has all of

1 the powers of a municipality under Chapter 380, Local Government
2 Code.

3 Sec. 3839.107. STRATEGIC PARTNERSHIP AGREEMENT. The
4 district may negotiate and enter into a written strategic
5 partnership agreement with the City of Houston in the same manner as
6 a district under Section 43.0751, Local Government Code.

7 Sec. 3839.108. NO EMINENT DOMAIN. The district may not
8 exercise the power of eminent domain.

9 [Sections 3839.109-3839.150 reserved for expansion]

10 SUBCHAPTER D. FINANCIAL PROVISIONS

11 Sec. 3839.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
12 board by resolution shall establish the number of directors'
13 signatures and the procedure required for a disbursement or
14 transfer of the district's money.

15 Sec. 3839.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
16 The district may acquire, construct, finance, operate, or maintain
17 any improvement or service authorized under this chapter or Chapter
18 375, Local Government Code, using any money available to the
19 district.

20 Sec. 3839.153. PETITION REQUIRED FOR FINANCING SERVICES AND
21 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
22 service or improvement project with assessments under this chapter
23 unless a written petition requesting that service or improvement
24 has been filed with the board.

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

26 (1) the owners of a majority of the assessed value of
27 real property in the district subject to assessment according to

1 the most recent certified tax appraisal roll for Harris County; or
2 (2) at least 50 persons who own real property in the
3 district, if more than 50 persons own real property in the district
4 according to the most recent certified tax appraisal roll for
5 Harris County.

6 Sec. 3839.154. METHOD OF NOTICE FOR HEARING. The district
7 may mail the notice required by Section 375.115(c), Local
8 Government Code, by certified or first class United States mail.
9 The board shall determine the method of notice.

10 Sec. 3839.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
11 The board by resolution may impose and collect an assessment for any
12 purpose authorized by this chapter in all or any part of the
13 district.

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. 3839.156. AD VALOREM TAX. (a) If authorized at an
9 election held in accordance with Section 3839.160, 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 (c) Section 49.107(h), Water Code, does not apply to the
17 district.

18 Sec. 3839.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR
19 ASSESSMENTS. The district may not impose an impact fee or
20 assessment on the property, including the equipment,
21 rights-of-way, facilities, or improvements, of:

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

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

26 (3) a telecommunications provider as defined by
27 Section 51.002, Utilities Code; or

1 (4) a person who provides to the public cable
2 television or advanced telecommunications services.

3 Sec. 3839.158. BONDS AND OTHER OBLIGATIONS. (a) The
4 district may issue by competitive bid or negotiated sale bonds,
5 notes, or other obligations payable wholly or partly from taxes,
6 assessments, impact fees, revenue, grants, or other money of the
7 district, or any combination of those sources of money, to pay for
8 any authorized purpose of the district.

9 (b) In addition to any other terms authorized by the board
10 by bond order or resolution, the proceeds of the district's bonds
11 may be used for a reserve fund, credit enhancement, or capitalized
12 interest for the bonds.

13 (c) The limitation on the outstanding principal amount of
14 bonds, notes, and other obligations provided by Section 49.4645,
15 Water Code, does not apply to the district.

16 Sec. 3839.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
17 the time bonds or other obligations payable wholly or partly from ad
18 valorem taxes are issued:

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

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

25 (A) pay the interest on the bonds or other
26 obligations as the interest becomes due;

27 (B) create a sinking fund for the payment of the

1 principal of the bonds or other obligations when due or the
2 redemption price at any earlier required redemption date; and

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

4 Sec. 3839.160. TAX AND BOND ELECTIONS. (a) The district
5 shall hold an election in the manner provided by Subchapter L,
6 Chapter 375, Local Government Code, to obtain voter approval before
7 the district imposes an ad valorem tax or issues bonds payable from
8 ad valorem taxes.

9 (b) Section 375.243, Local Government Code, does not apply
10 to the district.

11 Sec. 3839.161. CITY NOT REQUIRED TO PAY DISTRICT
12 OBLIGATIONS. Except as provided by Section 375.263, Local
13 Government Code, the City of Houston is not required to pay a bond,
14 note, or other obligation of the district.

15 Sec. 3839.162. COMPETITIVE BIDDING. Section 375.221, Local
16 Government Code, applies to the district only for a contract that
17 has a value greater than \$50,000.

18 Sec. 3839.163. TAX AND ASSESSMENT ABATEMENTS. The district
19 may grant in the manner authorized by Chapter 312, Tax Code, an
20 abatement for a tax or assessment owed to the district.

21 [Sections 3839.164-3839.200 reserved for expansion]

22 SUBCHAPTER E. DISSOLUTION

23 Sec. 3839.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
24 DEBT. (a) The board may dissolve the district regardless of
25 whether the district has debt. Section 375.264, Local Government
26 Code, does not apply to the district.

27 (b) If the district has debt when it is dissolved, the

1 district shall remain in existence solely for the purpose of
2 discharging its debts. The dissolution is effective when all debts
3 have been discharged.

4 SECTION 2. BOUNDARIES. As of the effective date of this
5 Act, the Towne Lake Management District includes all territory
6 contained in the following described area:

7 A 59.799-ACRE TRACT OF LAND SITUATED IN THE EVAN THOMAS
8 SURVEY, ABSTRACT 775, HARRIS COUNTY, TEXAS, SAID 59.799-ACRE TRACT
9 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS,
10 (BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH
11 CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS):

12 COMMENCING at a 3/4-inch iron with cap stamped "C.L.R." found
13 for the northeast corner of Cy-Fair College as recorded under Film
14 Code Number 543031 of the Harris County Map Records (H.C.M.R.) and
15 in the westerly right-of-way line of Barker-Cypress Road
16 (100-feet-wide) as recorded under Clerk's File Numbers (C.F. Nos.)
17 M889508 and M922710 of the Official Public Records of Real Property
18 of Harris County, Texas (O.P.R.O.R.P.), also being in the northerly
19 line of that certain called 160-foot wide Drainage Easement as
20 recorded under C.F. No. V782766, O.P.R.O.R.P., and in the southerly
21 line of that certain called 180-foot-wide Houston Lighting and
22 Power Company Electric Transmission Easement as recorded under C.F.
23 No. C274826, O.P.R.O.R.P., from which a 3/4-inch iron pipe bears
24 South 14°40' East, 0.5 feet;

25 THENCE North 02°48'58" West, with said westerly right-of-way
26 of Barker-Cypress Road, a distance of 255.16 feet to a point of
27 curvature to the left;

1 THENCE, continuing with the said westerly right-of-way of
2 Barker-Cypress Road in a northwesterly direction along said curve
3 to the left, having a radius of 2950.00 feet, a central angle of
4 $03^{\circ}49'15''$, an arc length of 196.72 feet, and a chord bearing of North
5 $04^{\circ}43'36''$ West, a distance of 196.69 feet to a 3/4-inch iron pipe
6 found for the point of tangency;

7 THENCE North $06^{\circ}38'13''$ West, continuing with said westerly
8 right-of-way of Barker-Cypress Road, a distance of 100.00 feet to a
9 3/4-inch iron pipe found for a point of curvature to the right;

10 THENCE, continuing with the said westerly right-of-way of
11 Barker-Cypress Road in a northwesterly direction along said curve
12 to the right, having a radius of 3050.00 feet, a central angle of
13 $03^{\circ}49'15''$, an arc length of 203.39 feet, and a chord bearing of North
14 $04^{\circ}43'35''$ West, a distance of 203.35 feet to a 3/4-inch iron pipe
15 found for the point of tangency;

16 THENCE North $02^{\circ}48'58''$ West, continuing with said westerly
17 right-of-way of Barker-Cypress Road, a distance of 438.86 feet to
18 the POINT OF BEGINNING of the herein described tract;

19 THENCE South $89^{\circ}12'34''$ West a distance of 1139.55 feet to a point for
20 corner;

21 THENCE North $40^{\circ}38'18''$ West a distance of 270.36 feet to a
22 point for corner;

23 THENCE North a distance of 1037.29 feet to a point for corner;

24 THENCE North $26^{\circ}46'14''$ East a distance of 104.38 feet to a
25 point for corner;

26 THENCE North $26^{\circ}49'32''$ East a distance of 49.85 feet to a
27 point for corner;

1 THENCE North 20°35'48" East a distance of 77.03 feet to a
2 point of curvature to the left;

3 THENCE in a northeasterly direction along said curve to the
4 left, having a radius of 900.00 feet, a central angle of 32°18'20",
5 an arc length of 507.46 feet, and a chord bearing of North 04°26'38"
6 East, a distance of 500.76 feet to the point of tangency;

7 THENCE North 11°42'32" West a distance of 187.14 feet to a
8 point for corner;

9 THENCE North 78°17'28" East a distance of 230.07 feet to a
10 point for corner;

11 THENCE South 52°35'28" East a distance of 295.90 feet to a
12 point for corner;

13 THENCE North 37°24'32" East a distance of 257.44 feet to a
14 point of curvature to the right;

15 THENCE in a northeasterly direction along said curve to the
16 right, having a radius of 25.00 feet, a central angle of 49°46'30",
17 an arc length of 21.72 feet, and a chord bearing of North 62°17'47"
18 East, a distance of 21.04 feet to the point of tangency;

19 THENCE North 87°11'02" East a distance of 473.95 feet to a
20 point for corner, being in the said westerly right-of-way of
21 Barker-Cypress Road;

22 THENCE South 02°48'58" East, with the said westerly
23 right-of-way of Barker-Cypress Road, a distance of 2226.18 feet to
24 the POINT OF BEGINNING and containing 59.799 acres of land.

25 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
26 that:

27 (1) proper and legal notice of the intention to

1 introduce this Act, setting forth the general substance of this
2 Act, has been published as provided by law, and the notice and a
3 copy of this Act have been furnished to all persons, agencies,
4 officials, or entities to which they are required to be furnished by
5 the constitution and laws of this state, including the governor,
6 who has submitted the notice and Act to the Texas Commission on
7 Environmental Quality;

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

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

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

20 SECTION 4. EFFECTIVE DATE. This Act takes effect
21 immediately if it receives a vote of two-thirds of all the members
22 elected to each house, as provided by Section 39, Article III, Texas
23 Constitution. If this Act does not receive the vote necessary for
24 immediate effect, this Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 4045 was passed by the House on May 2, 2007, by the following vote: Yeas 147, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4045 on May 25, 2007, by the following vote: Yeas 137, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4045 was passed by the Senate, with amendments, on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor