

1-1 By: McClendon (Senate Sponsor - Uresti) H.B. No. 4077
1-2 (In the Senate - Received from the House May 10, 2007;
1-3 May 14, 2007, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 18, 2007, reported favorably by
1-5 the following vote: Yeas 3, Nays 0; May 18, 2007, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the creation of an east San Antonio economic
1-10 development district to be known as the Eastside Improvement
1-11 District No. 1; providing authority to impose an assessment and
1-12 issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. PURPOSE OF ECONOMIC DEVELOPMENT DISTRICT IN EAST
1-15 SAN ANTONIO. (a) The Eastside Improvement District No. 1 is
1-16 authorized to be created to help the community redevelop areas that
1-17 are:

- 1-18 (1) physically or economically deteriorated;
- 1-19 (2) unsafe; or
- 1-20 (3) poorly planned.

1-21 (b) The creation of the district is a tool to be used in
1-22 blighted areas to:

- 1-23 (1) implement capital projects such as street and
1-24 landscaping improvements;
- 1-25 (2) provide incentives for private investments and job
1-26 creation; and
- 1-27 (3) assist in the development of residential areas,
1-28 parks, and open spaces.

1-29 SECTION 2. EASTSIDE IMPROVEMENT DISTRICT NO. 1. Subtitle
1-30 C, Title 4, Special District Local Laws Code, is amended by adding
1-31 Chapter 3845 to read as follows:

1-32 CHAPTER 3845. EASTSIDE IMPROVEMENT DISTRICT NO. 1

1-33 SUBCHAPTER A. GENERAL PROVISIONS

1-34 Sec. 3845.001. DEFINITIONS. In this chapter:

1-35 (1) "Board" means the board of directors of the
1-36 district.

1-37 (2) "City" means the City of San Antonio.

1-38 (3) "District" means the Eastside Improvement
1-39 District No. 1.

1-40 Sec. 3845.002. CREATION BY CITY; NATURE OF DISTRICT. The
1-41 city by ordinance or resolution may create a special district under
1-42 Section 59, Article XVI, Texas Constitution, to be known as the
1-43 Eastside Improvement District No. 1.

1-44 Sec. 3845.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-45 creation of the district is essential to accomplish the purposes of
1-46 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-47 Texas Constitution, and other public purposes stated in this
1-48 chapter. By authorizing the creation of the district and in
1-49 authorizing Bexar County, the city, and other political
1-50 subdivisions to contract with the district, the legislature has
1-51 established a program to accomplish the public purposes set out in
1-52 Section 52-a, Article III, Texas Constitution.

1-53 (b) The creation of the district is necessary to promote,
1-54 develop, encourage, and maintain employment, commerce,
1-55 transportation, housing, tourism, recreation, the arts,
1-56 entertainment, economic development, safety, and the public
1-57 welfare in the east area of the city.

1-58 (c) This chapter and the creation of the district may not be
1-59 interpreted to relieve Bexar County or the city from providing the
1-60 level of services provided as of the effective date of the
1-61 district's creation by the city to the area in the district or to
1-62 release the county or the city from the obligations of each entity
1-63 to provide services to that area. The district is authorized to be
1-64 created to supplement and not to supplant the county or city

2-1 services provided in the district's territory.

2-2 Sec. 3845.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
 2-3 The district is created to serve a public use and benefit.

2-4 (b) All land and other property included in the district
 2-5 will benefit from the improvements and services to be provided by
 2-6 the district under powers conferred by Sections 52 and 52-a,
 2-7 Article III, and Section 59, Article XVI, Texas Constitution, and
 2-8 other powers granted under this chapter.

2-9 (c) Each improvement project or service authorized by this
 2-10 chapter is essential to carry out a public purpose.

2-11 (d) The creation of the district is in the public interest
 2-12 and is essential to:

2-13 (1) further the public purposes of developing and
 2-14 diversifying the economy of the state;

2-15 (2) eliminate unemployment and underemployment; and

2-16 (3) develop or expand transportation and commerce.

2-17 (e) The district will:

2-18 (1) promote the health, safety, and general welfare of
 2-19 residents, employers, employees, visitors, and consumers in the
 2-20 district, and of the public;

2-21 (2) provide money to preserve, maintain, and enhance
 2-22 the economic health and vitality of the district as a community and
 2-23 business center;

2-24 (3) promote the health, safety, welfare, and enjoyment
 2-25 of the public by providing public art and pedestrian ways and by
 2-26 landscaping and developing certain areas in the district, which are
 2-27 necessary for the restoration, preservation, and enhancement of
 2-28 scenic beauty; and

2-29 (4) promote and benefit commercial development and
 2-30 commercial areas in the district.

2-31 (f) Pedestrian ways along or across a street, whether at
 2-32 grade or above or below the surface, and street lighting, street
 2-33 landscaping, and street art objects are parts of and necessary
 2-34 components of a street and are considered to be a street or road
 2-35 improvement.

2-36 (g) The district will not act as the agent or
 2-37 instrumentality of any private interest even though the district
 2-38 will benefit many private interests as well as the public.

2-39 Sec. 3845.005. DISTRICT TERRITORY. (a) The district is
 2-40 composed of the territory described by Section 3 of the Act enacting
 2-41 this chapter, as that territory may have been modified under
 2-42 Section 3845.106.

2-43 (b) The boundaries and field notes of the district contained
 2-44 in Section 3 of the Act enacting this chapter form a closure. A
 2-45 mistake in the field notes or in copying the field notes in the
 2-46 legislative process does not in any way affect:

2-47 (1) the district's organization, existence, and
 2-48 validity;

2-49 (2) the district's right to issue any type of bond,
 2-50 including a refunding bond, for a purpose for which the district is
 2-51 created or to pay the principal of and interest on the bond;

2-52 (3) the district's right to impose an assessment; or

2-53 (4) the legality or operation of the district or the
 2-54 board.

2-55 Sec. 3845.006. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-56 DISTRICTS LAW. Except as otherwise provided by this chapter,
 2-57 Chapter 375, Local Government Code, applies to the district, the
 2-58 board, and district employees.

2-59 Sec. 3845.007. LIBERAL CONSTRUCTION OF CHAPTER. This
 2-60 chapter shall be liberally construed in conformity with the
 2-61 findings and purposes stated in this chapter.

2-62 [Sections 3845.008-3845.050 reserved for expansion]

2-63 SUBCHAPTER B. BOARD OF DIRECTORS

2-64 Sec. 3845.051. COMPOSITION; TERMS. (a) The district is
 2-65 governed by a board of 15 voting directors who serve staggered terms
 2-66 of four years, with 7 or 8 directors' terms expiring each
 2-67 even-numbered anniversary of the district's creation.

2-68 (b) The board by resolution may increase or decrease the
 2-69 number of voting directors on the board, but only if:

3-1 (1) it is in the best interest of the district to do
3-2 so; and
3-3 (2) the city consents to the increase or decrease by
3-4 ordinance.

3-5 (c) The board may not:
3-6 (1) increase the number of voting directors to more
3-7 than 30; or
3-8 (2) decrease the number of voting directors to fewer
3-9 than 9.

3-10 Sec. 3845.052. APPOINTMENT OF DIRECTORS. The governing
3-11 body of the city shall appoint voting directors from among persons
3-12 who apply to the city for appointment and persons recommended by the
3-13 board. To be eligible for appointment, a person must meet the
3-14 qualifications prescribed by Subchapter D, Chapter 375, Local
3-15 Government Code.

3-16 Sec. 3845.053. NONVOTING DIRECTORS. (a) The board may
3-17 appoint the following persons to serve as nonvoting directors:

3-18 (1) the directors of the parks and recreation,
3-19 planning and community development, and public works departments of
3-20 the city;

3-21 (2) the chief of police of the city;

3-22 (3) the general manager of the VIA Metropolitan
3-23 Transit Authority;

3-24 (4) the president of any institution of higher
3-25 learning located in the district; or

3-26 (5) the presiding officer of a nonprofit corporation
3-27 actively involved in activities in the east area of the city.

3-28 (b) If a department described by Subsection (a) is
3-29 consolidated, renamed, or changed, the board may appoint a director
3-30 of the consolidated, renamed, or changed department as a nonvoting
3-31 director. If a department described by Subsection (a) is
3-32 abolished, the board may appoint as a director a representative of
3-33 another department of the city that performs duties comparable to
3-34 those performed by the abolished department.

3-35 Sec. 3845.054. QUORUM. Nonvoting directors are not counted
3-36 for purposes of determining whether a quorum is present.

3-37 Sec. 3845.055. VACANCY. A vacancy on the board is filled
3-38 for the remainder of the unexpired term in the same manner as the
3-39 original appointment.

3-40 Sec. 3845.056. CONFLICTS OF INTEREST. (a) Except as
3-41 provided by this section:

3-42 (1) a director may participate in all board votes and
3-43 decisions; and

3-44 (2) Chapter 171, Local Government Code, governs
3-45 conflicts of interest of directors.

3-46 (b) Section 171.004, Local Government Code, does not apply
3-47 to the district. A director who has a substantial interest in a
3-48 business or charitable entity that will receive a pecuniary benefit
3-49 from a board action shall file an affidavit with the board secretary
3-50 declaring the interest.

3-51 (c) Another affidavit is required if the director's
3-52 interest changes.

3-53 (d) After the affidavit is filed, the director may
3-54 participate in a discussion or vote on that action if:

3-55 (1) a majority of the directors have a similar
3-56 interest in the same entity; or

3-57 (2) all other similar business or charitable entities
3-58 in the district will receive a similar pecuniary benefit.

3-59 (e) A director who is also an officer or employee of a public
3-60 entity may not participate in a discussion of or vote on a matter
3-61 regarding a contract with that same public entity.

3-62 (f) For purposes of this section, a director has a
3-63 substantial interest in a charitable entity in the same manner that
3-64 a person would have a substantial interest in a business entity
3-65 under Section 171.002, Local Government Code.

3-66 (g) The ethics code adopted by the city applies to a
3-67 director. If there is a conflict between this chapter and the
3-68 city's ethics code, the city's ethics code prevails.

3-69 Sec. 3845.057. INITIAL VOTING DIRECTORS. (a) Not later

4-1 than 180 days after the district's creation date, the governing
 4-2 body of the city shall by ordinance appoint the initial 15 voting
 4-3 directors by position.

4-4 (b) Of the initial voting directors, the terms of directors
 4-5 appointed for positions 1 through 8 expire on the second
 4-6 anniversary of the district's creation date, and the terms of
 4-7 directors appointed for positions 9 through 15 expire on the fourth
 4-8 anniversary of the district's creation date.

4-9 (c) Section 3845.052 does not apply to this section.

4-10 (d) This section expires September 1, 2012.

4-11 [Sections 3845.058-3845.100 reserved for expansion]

4-12 SUBCHAPTER C. POWERS AND DUTIES

4-13 Sec. 3845.101. GENERAL DISTRICT POWERS. The city by
 4-14 ordinance may grant the district any power necessary to accomplish
 4-15 the purposes for which the district was created.

4-16 Sec. 3845.102. ADDITIONAL DISTRICT POWERS. The city by
 4-17 ordinance may grant the district:

4-18 (1) any power given to a corporation under Section 4B,
 4-19 the Development Corporation Act of 1979 (Article 5190.6, Vernon's
 4-20 Texas Civil Statutes), and the power to own, operate, acquire,
 4-21 construct, lease, improve, and maintain projects; and

4-22 (2) any power given to a housing finance corporation
 4-23 created under Chapter 394, Local Government Code, to provide
 4-24 housing or residential development projects in the district.

4-25 Sec. 3845.103. NONPROFIT CORPORATION. (a) The board by
 4-26 resolution may authorize the creation of a nonprofit corporation to
 4-27 assist and act for the district in implementing a project or
 4-28 providing a service authorized by this chapter.

4-29 (b) The creation of the nonprofit corporation is subject to
 4-30 the city's consent to its creation by ordinance. The ordinance may
 4-31 contain any conditions on its consent related to the creation of,
 4-32 powers of, or appointment of directors for, the corporation.

4-33 (c) The nonprofit corporation, subject to the ordinance:

4-34 (1) has each power of and is considered for purposes of
 4-35 this chapter to be a local government corporation created under
 4-36 Chapter 431, Transportation Code; and

4-37 (2) may be authorized to implement any project and
 4-38 provide any service authorized by this chapter.

4-39 (d) The board, subject to the ordinance, shall appoint the
 4-40 board of directors of the nonprofit corporation. The board of
 4-41 directors of the nonprofit corporation shall serve in the same
 4-42 manner as, for the same term as, and on the conditions of the board
 4-43 of directors of a local government corporation created under
 4-44 Chapter 431, Transportation Code.

4-45 Sec. 3845.104. CONTRACTS; GRANTS; DONATIONS. (a) Bexar
 4-46 County, the city, or another political subdivision of this state,
 4-47 without further authorization, may contract with the district to
 4-48 implement a project of the district or assist the district in
 4-49 providing a service authorized under this chapter. A contract
 4-50 under this subsection may:

4-51 (1) be for a period on which the parties agree;

4-52 (2) include terms on which the parties agree;

4-53 (3) be payable from taxes or any other source of
 4-54 revenue that may be available for that project or service; or

4-55 (4) provide terms under which other revenue collected
 4-56 at a district project or from a person using or purchasing a
 4-57 commodity or service at a district project may be paid to the
 4-58 district.

4-59 (b) The district may enter into a contract, lease, or other
 4-60 agreement with or make or accept a grant or loan to or from, or
 4-61 accept donations from, any person, including:

4-62 (1) the United States;

4-63 (2) this state or a state agency;

4-64 (3) any political subdivision of this state; or

4-65 (4) a public or private corporation, including a
 4-66 nonprofit corporation created by the board under this subchapter.

4-67 (c) The district may perform all acts necessary for the full
 4-68 exercise of the powers vested in the district on terms and for the
 4-69 period the board determines advisable.

5-1 (d) The implementation of a project is a governmental
 5-2 function or service for purposes of Chapter 791, Government Code.

5-3 Sec. 3845.105. COMPETITIVE BIDDING. Section 375.221,
 5-4 Local Government Code, does not apply to a district contract for
 5-5 \$25,000 or less.

5-6 Sec. 3845.106. ANNEXATION OR DISANNEXATION. (a) The board
 5-7 by resolution may annex or disannex territory in the same manner as
 5-8 a defense adjustment management authority under Section 375.3085,
 5-9 Local Government Code.

5-10 (b) Subchapter J, Chapter 49, Water Code, does not apply to
 5-11 the district.

5-12 Sec. 3845.107. NO EMINENT DOMAIN POWER. The district may
 5-13 not exercise the power of eminent domain.

5-14 [Sections 3845.108-3845.150 reserved for expansion]

5-15 SUBCHAPTER D. PUBLIC PARKING FACILITIES

5-16 Sec. 3845.151. PARKING FACILITIES AUTHORIZED. To the
 5-17 extent authorized by a city ordinance, city parking facilities
 5-18 contract, or city bond covenant, the district may acquire, lease as
 5-19 lessor or lessee, construct, develop, own, operate, and maintain
 5-20 parking facilities, including:

5-21 (1) lots, garages, parking terminals, or other
 5-22 structures or accommodations for the parking of motor vehicles; and

5-23 (2) equipment, entrances, exits, fencing, and other
 5-24 accessories necessary for safety and convenience in the parking of
 5-25 vehicles.

5-26 Sec. 3845.152. RULES. The district may adopt rules
 5-27 covering its public parking facilities except that a rule relating
 5-28 to or affecting the use of the public right-of-way or a requirement
 5-29 for off-street parking is subject to all applicable municipal
 5-30 charter, code, or ordinance requirements.

5-31 Sec. 3845.153. FINANCING OF PUBLIC PARKING FACILITIES. (a)
 5-32 The district may use any of its resources, including revenue,
 5-33 assessments, and grant or contract proceeds, to pay the cost of
 5-34 acquiring and operating public parking facilities.

5-35 (b) The district may set and impose fees or charges for the
 5-36 use of the public parking facilities and may issue bonds or notes to
 5-37 finance the cost of these facilities.

5-38 [Sections 3845.154-3845.200 reserved for expansion]

5-39 SUBCHAPTER E. FINANCIAL PROVISIONS

5-40 Sec. 3845.201. PETITION REQUIRED FOR FINANCING SERVICES AND
 5-41 IMPROVEMENTS. (a) The board may not finance a service or an
 5-42 improvement project under this chapter unless a written petition is
 5-43 filed with the board requesting:

5-44 (1) that service or improvement; and
 5-45 (2) that an assessment be imposed to finance the
 5-46 service or improvement.

5-47 (b) The petition must be signed by:

5-48 (1) the owners of a majority of the assessed value of
 5-49 real property in the district according to the most recent
 5-50 certified tax appraisal roll for Bexar County; or

5-51 (2) at least 50 owners of land in the district, if more
 5-52 than 50 persons own property in the district according to the most
 5-53 recent certified tax appraisal roll for Bexar County.

5-54 Sec. 3845.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-55 board by resolution shall establish the number of directors'
 5-56 signatures and the procedure required for a disbursement or
 5-57 transfer of the district's money.

5-58 Sec. 3845.203. AUTHORITY TO IMPOSE ASSESSMENTS. The
 5-59 district may impose an assessment as provided by Chapter 375, Local
 5-60 Government Code, to provide an improvement or service for a project
 5-61 or activity the district may acquire, construct, improve, or
 5-62 provide under this chapter.

5-63 Sec. 3845.204. ASSESSMENT IN PART OF DISTRICT. An
 5-64 assessment may be imposed on only a part of the district if only
 5-65 that part will benefit from the service or improvement.

5-66 Sec. 3845.205. LIENS FOR ASSESSMENTS. (a) An assessment or
 5-67 reassessment, interest on an assessment or reassessment, an expense
 5-68 of collection, and reasonable attorney's fees incurred by the
 5-69 district:

6-1 (1) are a first and prior lien against the property
 6-2 assessed;

6-3 (2) are superior to any other lien or claim other than
 6-4 a lien or claim for county, school district, or municipal ad valorem
 6-5 taxes; and

6-6 (3) are the personal liability of and a charge against
 6-7 the owners of the property even if the owners are not named in the
 6-8 assessment proceedings.

6-9 (b) The lien is effective from the date of the board's
 6-10 resolution imposing the assessment until the date the assessment is
 6-11 paid. The board may enforce the lien in the same manner that the
 6-12 city may enforce an ad valorem tax lien against real property.

6-13 Sec. 3845.206. SUITS TO RECOVER ASSESSMENTS. (a) An
 6-14 assessment imposed on property under this chapter is a personal
 6-15 obligation of the person who owns the property on January 1 of the
 6-16 year for which the assessment is imposed. If the person transfers
 6-17 title to the property, the person is not relieved of the obligation.

6-18 (b) Not later than the fourth anniversary of the date on
 6-19 which a delinquent assessment became due, the district may file
 6-20 suit to foreclose the lien or to enforce the obligation for the
 6-21 assessment, or both, and for any interest accrued.

6-22 (c) In addition to recovering the amount of the assessment
 6-23 and any accrued interest, the district may recover reasonable
 6-24 costs, including attorney's fees, that the district incurs in
 6-25 foreclosing the lien or enforcing the obligation. The costs may not
 6-26 exceed an amount equal to 20 percent of the assessment and interest.

6-27 (d) If the district does not file a suit in connection with a
 6-28 delinquent assessment on or before the last date on which the
 6-29 district may file suit under Subsection (b), the assessment and any
 6-30 interest accrued is considered paid.

6-31 Sec. 3845.207. ASSESSMENT OF GOVERNMENTAL ENTITIES AND
 6-32 NONPROFITS. (a) Except as provided by this section, the district
 6-33 may not impose an assessment on:

6-34 (1) a governmental entity, including a municipality,
 6-35 county, or other political subdivision; or

6-36 (2) an organization exempt from taxation under Section
 6-37 501(a), Internal Revenue Code of 1986 (26 U.S.C. Section 501(a)),
 6-38 as an organization described by Section 501(c)(3) of that code.

6-39 (b) An entity or organization described by Subsection (a)
 6-40 may contract with a district to pay assessments under terms the
 6-41 district and the entity or organization consider advisable,
 6-42 including a term that requires apportionment of the assessment in
 6-43 the manner provided by Section 372.015, Local Government Code.

6-44 Sec. 3845.208. CERTAIN RESIDENTIAL AND UTILITY PROPERTY
 6-45 EXEMPT FROM ASSESSMENTS. (a) The district may not impose an
 6-46 assessment on a single-family detached residence or a residential
 6-47 duplex, triplex, or fourplex.

6-48 (b) The district may not impose an assessment on the
 6-49 property, equipment, or facilities of a person who provides to the
 6-50 public cable television, gas, light, power, telephone, sewage, or
 6-51 water service.

6-52 Sec. 3845.209. DEBT; APPROVAL BY CITY. (a) The district
 6-53 may issue bonds, notes, or other debt obligations in accordance
 6-54 with Subchapters I and J, Chapter 375, Local Government Code, for a
 6-55 purpose specified by that chapter or as required to exercise a power
 6-56 or function or to accomplish a purpose or duty for which the
 6-57 district was created.

6-58 (b) In exercising the district's borrowing power, the
 6-59 district may issue a bond or other obligation in the form of a bond,
 6-60 note, certificate of participation or other instrument evidencing a
 6-61 proportionate interest in payments to be made by the district, or
 6-62 other type of obligation.

6-63 (c) The district must obtain the approval of the city:

6-64 (1) for the issuance of any bonds;

6-65 (2) of the plans and specifications of the improvement
 6-66 project to be financed by the bonds; and

6-67 (3) of the plans and specifications of a district
 6-68 improvement project related to:

6-69 (A) the use of land owned by the city;

7-1 (B) an easement granted by the city; or

7-2 (C) a right-of-way of a street, road, or highway.

7-3 (d) If the district obtains the approval of the city of a
 7-4 capital improvements budget for a specified period not to exceed
 7-5 five years, the district may finance the capital improvements and
 7-6 issue bonds specified in the budget subject to further approval
 7-7 from the city.

7-8 Sec. 3845.210. SPENDING ON PROJECTS OUTSIDE THE DISTRICT
 7-9 PROHIBITED. The district may not spend money for a project outside
 7-10 the district.

7-11 Sec. 3845.211. NO AD VALOREM TAX OR IMPACT FEE. The
 7-12 district may not impose an ad valorem tax or impact fee.

7-13 Sec. 3845.212. USE OF ELECTRICAL OR OPTICAL LINES. (a) The
 7-14 district may impose an assessment to pay the cost of:

7-15 (1) burying or removing electrical power lines,
 7-16 telephone lines, cable or fiber optic lines, or any other type of
 7-17 electrical or optical line;

7-18 (2) removing poles and any elevated lines using the
 7-19 poles; and

7-20 (3) reconnecting the lines described by Subdivision
 7-21 (2) to the buildings or other improvements to which the lines were
 7-22 connected.

7-23 (b) The district may negotiate a license agreement with the
 7-24 city to use a municipal right-of-way to acquire and operate
 7-25 district conduits.

7-26 (c) Subject to the city's approval, the district may charge
 7-27 fees for another person's:

7-28 (1) telecommunications network;

7-29 (2) fiber-optic cable;

7-30 (3) data transmission line; or

7-31 (4) any other type of communications transmission line
 7-32 or supporting facility.

7-33 (d) The district may not require a person to use a district
 7-34 conduit. This subsection does not diminish or disturb the rights
 7-35 and obligations of an electric utility or a telephone or telegraph
 7-36 corporation under Sections 181.042 and 181.082, Utilities Code.

7-37 [Sections 3845.213-3845.250 reserved for expansion]

7-38 SUBCHAPTER F. DISSOLUTION

7-39 Sec. 3845.251. DISSOLUTION BY BOARD; CITY CONSENT REQUIRED.

7-40 (a) The board may dissolve the district regardless of whether the
 7-41 district has debt. Section 375.264, Local Government Code, does
 7-42 not apply to the district.

7-43 (b) If the district has debt when it is dissolved, the
 7-44 district shall remain in existence solely for the purpose of
 7-45 discharging its debts. The dissolution is effective when all debts
 7-46 have been discharged.

7-47 (c) The district may not be dissolved unless the governing
 7-48 body of the city consents to the dissolution.

7-49 Sec. 3845.252. DISSOLUTION OF DISTRICT BY CITY. (a) The
 7-50 city's governing body may dissolve the district.

7-51 (b) Before dissolution, the city shall publish notice and
 7-52 hold public hearings on the proposed dissolution under Section
 7-53 375.305, Local Government Code, in the same manner as a
 7-54 municipality creating a defense adjustment management authority
 7-55 under Subchapter O, Chapter 375, Local Government Code.

7-56 (c) On dissolution of the district under this section, the
 7-57 city assumes all district assets, debts, and other obligations.

7-58 (d) Section 375.263, Local Government Code, does not apply
 7-59 to the district.

7-60 SECTION 3. BOUNDARIES. As of the effective date of this
 7-61 Act, the Eastside Improvement District No. 1 includes all territory
 7-62 contained in the following described area:

7-63 UNLESS otherwise specified, the boundaries of this district will
 7-64 travel along the centerline of each street included, and each
 7-65 intersection will be the intersection of the centerlines of the
 7-66 streets mentioned.

7-67 Beginning at the juncture of East Commerce Street and IH-37,
 7-68 continuing in a northerly direction to the juncture of IH-37 with
 7-69 IH-35, and continuing in an east-northeasterly direction to the

8-1 juncture of IH-35 with South New Braunfels Avenue, and proceeding
8-2 south to a point at the juncture of South New Braunfels Avenue and
8-3 East Commerce Street, and proceeding west to a point of closure at
8-4 the juncture of East Commerce Street and IH-37.

8-5 SECTION 4. LEGISLATIVE FINDINGS. The legislature finds
8-6 that:

8-7 (1) proper and legal notice of the intention to
8-8 introduce this Act, setting forth the general substance of this
8-9 Act, has been published as provided by law, and the notice and a
8-10 copy of this Act have been furnished to all persons, agencies,
8-11 officials, or entities to which they are required to be furnished by
8-12 the constitution and laws of this state;

8-13 (2) the general law relating to consent by political
8-14 subdivisions to the creation of districts with conservation,
8-15 reclamation, and road powers and the inclusion of land in those
8-16 districts has been complied with; and

8-17 (3) all requirements of the constitution and laws of
8-18 this state and the rules and procedures of the legislature with
8-19 respect to the notice, introduction, and passage of this Act have
8-20 been fulfilled and accomplished.

8-21 SECTION 5. EFFECTIVE DATE. This Act takes effect
8-22 immediately if it receives a vote of two-thirds of all the members
8-23 elected to each house, as provided by Section 39, Article III, Texas
8-24 Constitution. If this Act does not receive the vote necessary for
8-25 immediate effect, this Act takes effect September 1, 2007.

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