

1-1 By: Deuell S.B. No. 2560
1-2 (In the Senate - Filed April 24, 2009; April 27, 2009, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 18, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 18, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2560 By: Nichols

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of the Rowlett Downtown Management
1-11 District; providing authority to impose a tax, levy an assessment,
1-12 and issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-14 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-15 Code, is amended by adding Chapter 3894 to read as follows:

1-16 CHAPTER 3894. ROWLETT DOWNTOWN MANAGEMENT DISTRICT
1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3894.001. DEFINITIONS. In this chapter:

- 1-19 (1) "Board" means the district's board of directors.
1-20 (2) "City" means the City of Rowlett, Texas.
1-21 (3) "Director" means a member of the board.
1-22 (4) "District" means the Rowlett Downtown Management

1-23 District.
1-24 (5) "Improvement project" means any program or project

1-25 authorized by Section 3894.102, inside or outside the district.
1-26 Sec. 3894.002. CREATION AND NATURE OF DISTRICT. The
1-27 district is a special district created under Sections 52 and 52-a,
1-28 Article III, and Section 59, Article XVI, Texas Constitution.

1-29 Sec. 3894.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-30 creation of the district is essential to accomplish the purposes of
1-31 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-32 Texas Constitution, and other public purposes stated in this
1-33 chapter. By creating the district and in authorizing the city and
1-34 other political subdivisions to contract with the district, the
1-35 legislature has established a program to accomplish the public
1-36 purposes set out in Section 52-a, Article III, Texas Constitution.

1-37 (b) The creation of the district is necessary to promote,
1-38 develop, encourage, and maintain employment, commerce,
1-39 transportation, housing, tourism, recreation, the arts,
1-40 entertainment, economic development, safety, and the public
1-41 welfare in the district.

1-42 (c) This chapter and the creation of the district may not be
1-43 interpreted to relieve the city or Dallas County from providing the
1-44 level of services provided as of the effective date of the Act
1-45 creating this chapter to the area in the district. The district is
1-46 created to supplement and not to supplant the city and county
1-47 services provided in the district.

1-48 Sec. 3894.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-49 (a) The district is created to serve a public use and benefit.

1-50 (b) All land and other property included in the district
1-51 will benefit from the improvements and services to be provided by
1-52 the district under powers conferred by Sections 52 and 52-a,
1-53 Article III, and Section 59, Article XVI, Texas Constitution, and
1-54 other powers granted under this chapter.

1-55 (c) The creation of the district is in the public interest
1-56 and is essential to further the public purposes of:

1-57 (1) developing and diversifying the economy of the
1-58 state;

1-59 (2) eliminating unemployment and underemployment; and

1-60 (3) developing or expanding transportation and
1-61 commerce.

1-62 (d) The district will:

1-63 (1) promote the health, safety, and general welfare of

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

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

2-6 (3) promote the health, safety, welfare, and enjoyment
2-7 of the public by providing pedestrian ways and by landscaping and
2-8 developing certain areas in the district, which are necessary for
2-9 the restoration, preservation, and enhancement of scenic and
2-10 aesthetic beauty.

2-11 (e) Pedestrian ways along or across a street, whether at
2-12 grade or above or below the surface, and street lighting, street
2-13 landscaping, parking, and street art objects are parts of and
2-14 necessary components of a street and are considered to be an
2-15 improvement project that includes a street or road improvement.

2-16 (f) The district will not act as the agent or
2-17 instrumentality of any private interest even though the district
2-18 will benefit many private interests as well as the public.

2-19 Sec. 3894.005. DISTRICT TERRITORY. (a) The district is
2-20 composed of the territory described by Section 2 of the Act creating
2-21 this chapter, as that territory may have been modified under
2-22 Section 3894.108 or other law.

2-23 (b) The boundaries and field notes of the district contained
2-24 in Section 2 of the Act creating this chapter form a closure. A
2-25 mistake in the field notes of the district contained in Section 2 of
2-26 the Act creating this chapter or in copying the field notes in the
2-27 legislative process does not in any way affect:

2-28 (1) the district's organization, existence, or
2-29 validity;

2-30 (2) the district's right to contract, including the
2-31 right to issue any type of bond or other obligation for a purpose
2-32 for which the district is created;

2-33 (3) the district's right to impose or collect an
2-34 assessment, tax, or any other revenue; or

2-35 (4) the legality or operation of the board.

2-36 Sec. 3894.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE
2-37 ZONES. (a) All or any part of the area of the district is
2-38 eligible, regardless of other statutory criteria, to be included
2-39 in:

2-40 (1) a tax increment reinvestment zone created by the
2-41 city under Chapter 311, Tax Code; or

2-42 (2) a tax abatement reinvestment zone created by the
2-43 city under Chapter 312, Tax Code.

2-44 (b) All or any part of the area of the district is eligible
2-45 to be nominated for inclusion in an enterprise zone by the city
2-46 under Chapter 2303, Government Code.

2-47 Sec. 3894.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-48 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-49 Chapter 375, Local Government Code, applies to the district.

2-50 Sec. 3894.008. LIBERAL CONSTRUCTION OF CHAPTER. This
2-51 chapter shall be liberally construed in conformity with the
2-52 findings and purposes stated in this chapter.

2-53 [Sections 3894.009-3894.050 reserved for expansion]

2-54 SUBCHAPTER B. BOARD OF DIRECTORS

2-55 Sec. 3894.051. BOARD OF DIRECTORS. The district is
2-56 governed by a board of five directors appointed under Section
2-57 3894.052 and three directors serving ex officio under Section
2-58 3894.053.

2-59 Sec. 3894.052. APPOINTMENT OF DIRECTORS; TERMS. (a) The
2-60 mayor and governing body of the city shall appoint voting
2-61 directors. A person is appointed if a majority of the members of
2-62 the governing body, including the mayor, vote to appoint that
2-63 person. A member of the governing body of the city may not be
2-64 appointed to the board.

2-65 (b) Section 375.063, Local Government Code, does not apply
2-66 to the district.

2-67 (c) The appointed directors serve staggered terms of four
2-68 years, with two or three directors' terms expiring June 1 of each
2-69 odd-numbered year.

3-1 (d) A person may not be appointed to the board if the
3-2 appointment of that person would result in fewer than three of the
3-3 directors residing in the city.

3-4 (e) The governing body of the city shall appoint a director
3-5 to fill a vacancy that occurs on the board.

3-6 (f) District directors are public officials entitled to
3-7 governmental immunity for their official actions.

3-8 Sec. 3894.053. NONVOTING DIRECTORS. (a) The following
3-9 persons serve as nonvoting ex officio directors:

3-10 (1) the manager of the city;

3-11 (2) the financial director of the city; and

3-12 (3) the planning director of the city.

3-13 (b) If an office described by Subsection (a) is renamed,
3-14 changed, or abolished, the governing body of the city may appoint
3-15 another city officer or employee who performs duties comparable to
3-16 those performed by the officer described by Subsection (a).

3-17 Sec. 3894.054. CONFLICTS OF INTEREST. (a) Except as
3-18 provided by Section 3894.053 or this section:

3-19 (1) a director may participate in all board votes and
3-20 decisions; and

3-21 (2) Chapter 171, Local Government Code, governs
3-22 conflicts of interest of board members.

3-23 (b) A director who has a beneficial interest in a business
3-24 entity that will receive a pecuniary benefit from an action of the
3-25 board may participate in discussion and vote on that action if a
3-26 majority of the board has a similar interest in the same action or
3-27 if all other similar business entities in the district will receive
3-28 a similar pecuniary benefit.

3-29 (c) A director who is also an officer or employee of a public
3-30 entity may not participate in a discussion of or vote on a matter
3-31 regarding a contract with that same public entity.

3-32 Sec. 3894.055. DIRECTOR'S OATH OR AFFIRMATION. A
3-33 director's oath or affirmation of office shall be filed with the
3-34 district and the district shall retain the oath or affirmation in
3-35 the district records.

3-36 Sec. 3894.056. OFFICERS. The board shall elect from among
3-37 the directors a chair, vice chair, and secretary.

3-38 Sec. 3894.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
3-39 EXPENSES. A director is not entitled to compensation for service on
3-40 the board but is entitled to be reimbursed for necessary expenses
3-41 incurred in carrying out the duties and responsibilities of a
3-42 director.

3-43 Sec. 3894.058. INITIAL DIRECTORS. (a) The initial board
3-44 consists of the following directors:

3-45 (1) _____;

3-46 (2) _____;

3-47 (3) _____;

3-48 (4) _____; and

3-49 (5) _____.

3-50 (b) Of the initial directors, the terms of directors
3-51 appointed for positions 1 and 2 expire June 1, 2011, and the terms
3-52 of directors appointed for positions 3 through 5 expire June 1,
3-53 2013.

3-54 (c) This section expires September 1, 2013.

3-55 Sec. 3894.059. QUORUM. For purposes of determining whether
3-56 a quorum of the board is present, the following are not counted:

3-57 (1) a board position vacant for any reason, including
3-58 death, resignation, or disqualification;

3-59 (2) a director who is abstaining from participation in
3-60 a vote because of a conflict of interest; or

3-61 (3) a nonvoting director.

3-62 [Sections 3894.060-3894.100 reserved for expansion]

3-63 SUBCHAPTER C. POWERS AND DUTIES

3-64 Sec. 3894.101. GENERAL POWERS AND DUTIES. The district has
3-65 the powers and duties provided by:

3-66 (1) the general laws relating to conservation and
3-67 reclamation districts created under Section 59, Article XVI, Texas
3-68 Constitution, including Chapters 49 and 54, Water Code;

3-69 (2) the general laws relating to road districts and

4-1 road utility districts created under Section 52(b), Article III,
4-2 Texas Constitution, including Chapter 441, Transportation Code;
4-3 (3) Subchapter A, Chapter 372, Local Government Code,
4-4 in the same manner as a municipality or a county;
4-5 (4) Chapter 375, Local Government Code; and
4-6 (5) Chapter 505, Local Government Code, as if the
4-7 district were a municipality to which that chapter applies.
4-8 Sec. 3894.102. IMPROVEMENT PROJECTS. (a) The district may
4-9 provide, or it may enter into contracts with a governmental or
4-10 private entity to provide, the following types of improvement
4-11 projects or activities in support of or incidental to those
4-12 projects:
4-13 (1) a supply and distribution facility or system to
4-14 provide potable and city-approved nonpotable water to the residents
4-15 and businesses of the district, including a wastewater collection
4-16 facility;
4-17 (2) a paved road or street, inside and outside the
4-18 district, to the extent authorized by Section 52, Article III,
4-19 Texas Constitution;
4-20 (3) the planning, design, construction, improvement,
4-21 and maintenance of:
4-22 (A) landscaping;
4-23 (B) highway right-of-way or transit corridor
4-24 beautification and improvement;
4-25 (C) lighting, banners, and signs;
4-26 (D) a street or sidewalk;
4-27 (E) a hiking and cycling path or trail;
4-28 (F) a pedestrian walkway, skywalk, crosswalk, or
4-29 tunnel;
4-30 (G) a park, lake, garden, recreational facility,
4-31 sports facility, open space, scenic area, or related exhibit or
4-32 preserve;
4-33 (H) a fountain, plaza, or pedestrian mall; or
4-34 (I) a drainage or storm-water detention
4-35 improvement;
4-36 (4) protection and improvement of the quality of storm
4-37 water that flows through the district;
4-38 (5) the planning, design, construction, improvement,
4-39 maintenance, and operation of:
4-40 (A) a water or sewer facility; or
4-41 (B) an off-street parking facility or heliport;
4-42 (6) the planning and acquisition of:
4-43 (A) public art and sculpture and related exhibits
4-44 and facilities; or
4-45 (B) an educational and cultural exhibit or
4-46 facility;
4-47 (7) the planning, design, construction, acquisition,
4-48 lease, rental, improvement, maintenance, installation, and
4-49 management of and provision of furnishings for a facility for:
4-50 (A) a conference, convention, or exhibition;
4-51 (B) a manufacturer, consumer, or trade show;
4-52 (C) a civic, community, or institutional event;
4-53 or
4-54 (D) an exhibit, display, attraction, special
4-55 event, or seasonal or cultural celebration or holiday;
4-56 (8) the removal, razing, demolition, or clearing of
4-57 land or improvements in connection with an improvement project;
4-58 (9) the acquisition and improvement of land or other
4-59 property for the mitigation of the environmental effects of an
4-60 improvement project;
4-61 (10) the planning, design, construction, improvement,
4-62 maintenance, and operation of alternative power generation
4-63 facilities, including but not limited to solar, geothermal, and
4-64 wind;
4-65 (11) the acquisition of property or an interest in
4-66 property in connection with an authorized improvement project;
4-67 (12) a special or supplemental service for the
4-68 improvement and promotion of the district or an area adjacent to the
4-69 district or for the protection of public health and safety in or

5-1 adjacent to the district, including:
 5-2 (A) advertising;
 5-3 (B) promotion;
 5-4 (C) tourism;
 5-5 (D) health and sanitation;
 5-6 (E) public safety;
 5-7 (F) security;
 5-8 (G) fire protection or emergency medical
 5-9 services;
 5-10 (H) business recruitment;
 5-11 (I) development;
 5-12 (J) elimination of traffic congestion; and
 5-13 (K) recreational, educational, or cultural
 5-14 improvements, enhancements, and services; or
 5-15 (13) any similar public improvement, facility, or
 5-16 service.
 5-17 (b) The district may not undertake an improvement project
 5-18 under this section unless the board determines the project to be
 5-19 necessary to accomplish a public purpose of the district.
 5-20 (c) An improvement project must comply with any applicable
 5-21 city requirements, including codes and ordinances.
 5-22 (d) The district may not provide, conduct, or authorize any
 5-23 improvement project on the city streets, highways, rights-of-way,
 5-24 or easements without the consent of the governing body of the city.
 5-25 (e) The district shall immediately comply with any city
 5-26 ordinance, order, or resolution that:
 5-27 (1) requires the district to transfer to the city the
 5-28 title to all or any portion of an improvement project; or
 5-29 (2) authorizes the district to own, encumber,
 5-30 maintain, and operate an improvement project, subject to the right
 5-31 of the city to order a conveyance of the project to the city on a
 5-32 date determined by the city.
 5-33 (f) For the purposes of this section, planning, design,
 5-34 construction, improvement, and maintenance of a lake include work
 5-35 done for drainage, reclamation, or recreation.
 5-36 Sec. 3894.103. GENERAL POWERS REGARDING CONTRACTS.
 5-37 (a) The district may:
 5-38 (1) contract with any person to accomplish any
 5-39 district purpose, including a contract for:
 5-40 (A) the payment, repayment, or reimbursement of
 5-41 costs incurred by that person on behalf of the district, including
 5-42 all or part of the costs of an improvement project and interest on
 5-43 the reimbursed cost; or
 5-44 (B) the use, occupancy, lease, rental,
 5-45 operation, maintenance, or management of all or part of a proposed
 5-46 or existing improvement project; and
 5-47 (2) apply for and contract with any person to receive,
 5-48 administer, and perform a duty or obligation of the district under a
 5-49 federal, state, local, or private gift, grant, loan, conveyance,
 5-50 transfer, bequest, or other financial assistance arrangement
 5-51 relating to the investigation, planning, analysis, study, design,
 5-52 acquisition, construction, improvement, completion,
 5-53 implementation, or operation by the district or others of a
 5-54 proposed or existing improvement project.
 5-55 (b) A contract the district enters into to carry out a
 5-56 purpose of this chapter may be on any terms and for any period the
 5-57 board determines, including a negotiable or nonnegotiable note or
 5-58 warrant payable to the city, Dallas County, and any other person.
 5-59 (c) Any person may contract with the district to carry out
 5-60 the purposes of this chapter without further statutory or other
 5-61 authorization.
 5-62 (d) A contract payable from ad valorem taxes for a period
 5-63 longer than one year must be approved by the governing body of the
 5-64 city.
 5-65 Sec. 3894.104. COMPETITIVE BIDDING. Section 375.221, Local
 5-66 Government Code, applies only to a district contract that has a
 5-67 value of more than \$50,000.
 5-68 Sec. 3894.105. ECONOMIC DEVELOPMENT. The district may
 5-69 create economic development programs and exercise the economic

6-1 development powers that:
6-2 (1) Chapter 380, Local Government Code, provides to a
6-3 municipality with a population of more than 100,000; and
6-4 (2) Chapter 1509, Government Code, provides to a
6-5 municipality.
6-6 Sec. 3894.106. RULES; ENFORCEMENT. (a) The district may
6-7 adopt rules:
6-8 (1) to administer or operate the district;
6-9 (2) for the use, enjoyment, availability, protection,
6-10 security, and maintenance of the district's property and
6-11 facilities; or
6-12 (3) to provide for public safety and security in the
6-13 district.
6-14 (b) The district may enforce its rules by injunctive relief.
6-15 (c) To the extent a district rule conflicts with a city
6-16 rule, order, or regulation, the city rule, order, or regulation
6-17 controls.
6-18 Sec. 3894.107. NAME CHANGE. The board by resolution may
6-19 change the district's name. The board shall give written notice of
6-20 the change to the city.
6-21 Sec. 3894.108. ADDING OR REMOVING TERRITORY. The board may
6-22 add or remove territory under Subchapter J, Chapter 49, and Section
6-23 54.016, Water Code, except that:
6-24 (1) the addition or removal of the territory must be
6-25 approved by:
6-26 (A) the governing body of the city; and
6-27 (B) the owners of the territory being added or
6-28 removed;
6-29 (2) a reference to a tax in Subchapter J, Chapter 49,
6-30 or Section 54.016, Water Code, means an ad valorem tax; and
6-31 (3) territory may not be removed from the district if
6-32 bonds or other obligations of the district payable wholly or partly
6-33 from ad valorem taxes on the territory are outstanding.
6-34 Sec. 3894.109. NO EMINENT DOMAIN POWER. The district may
6-35 not exercise the power of eminent domain.
6-36 Sec. 3894.110. DISTRICT EMPLOYEES; TERMS OF EMPLOYMENT;
6-37 COMPENSATION. The board may employ and establish the terms of
6-38 employment and compensation of:
6-39 (1) an executive director or general manager; or
6-40 (2) any other district employee the board considers
6-41 necessary.
6-42 [Sections 3894.111-3894.150 reserved for expansion]
6-43 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
6-44 Sec. 3894.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.
6-45 Except as provided by Section 3894.161, the district may:
6-46 (1) impose an ad valorem tax on all taxable property in
6-47 the district, including industrial, commercial, and residential
6-48 property, to pay for an improvement project;
6-49 (2) impose an assessment on property in the district
6-50 in the manner provided for:
6-51 (A) a district under Subchapter F, Chapter 375,
6-52 Local Government Code; or
6-53 (B) a municipality or county under Subchapter A,
6-54 Chapter 372, Local Government Code;
6-55 (3) provide or secure the payment or repayment of the
6-56 costs and expenses of the establishment, administration, and
6-57 operation of the district and the district's costs or share of the
6-58 costs or revenue of an improvement project or district contractual
6-59 obligation or indebtedness by or through:
6-60 (A) a lease, installment purchase contract, or
6-61 other agreement with any person;
6-62 (B) the imposition of a tax, assessment, user
6-63 fee, concession fee, or rental charge; or
6-64 (C) any other revenue or resource of the
6-65 district;
6-66 (4) establish user charges related to the operation of
6-67 storm-water facilities, including the regulation of storm water for
6-68 the protection of water quality in the district;
6-69 (5) establish user charges for the use of nonpotable

7-1 water for irrigation purposes, subject to the approval of the
7-2 governing body of the city;
7-3 (6) undertake separately or jointly with other
7-4 persons, including the city or Dallas County, all or part of the
7-5 cost of an improvement project, including an improvement project:
7-6 (A) for improving, enhancing, and supporting
7-7 public safety and security, fire protection and emergency medical
7-8 services, and law enforcement in and adjacent to the district; or
7-9 (B) that confers a general benefit on the entire
7-10 district or a special benefit on a definable part of the district;
7-11 and
7-12 (7) enter into a tax abatement agreement in accordance
7-13 with the general laws of this state authorizing and applicable to
7-14 tax abatement agreements by municipalities.
7-15 Sec. 3894.152. BORROWING MONEY. The district may borrow
7-16 money for a district purpose by issuing or executing bonds, notes,
7-17 credit agreements, or other obligations of any kind found by the
7-18 board to be necessary or appropriate for the district purpose. The
7-19 bond, note, credit agreement, or other obligation must be secured
7-20 by and payable from ad valorem taxes, assessments, or other
7-21 district revenue.
7-22 Sec. 3894.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION.
7-23 (a) The district may impose an impact fee or assessment on
7-24 property in the district, including an impact fee or assessment on
7-25 residential or commercial property, only in the manner provided by
7-26 Subchapter A, Chapter 372, or Subchapter F, Chapter 375, Local
7-27 Government Code, for a municipality, county, or public improvement
7-28 district, according to the benefit received by the property.
7-29 (b) An impact fee for residential property must be for the
7-30 limited purpose of providing capital funding for:
7-31 (1) public water and wastewater facilities;
7-32 (2) drainage and storm-water facilities; and
7-33 (3) streets and alleys.
7-34 (c) An assessment, a reassessment, or an assessment
7-35 resulting from an addition to or correction of the assessment roll
7-36 by the district, penalties and interest on an assessment or
7-37 reassessment, or an expense of collection of an assessment,
7-38 including reasonable attorney's fees, incurred by the district:
7-39 (1) is a first and prior lien against the property
7-40 assessed; and
7-41 (2) is superior to any other lien or claim other than a
7-42 lien or claim for county, school district, or municipal ad valorem
7-43 taxes.
7-44 (d) The board may make a correction to or deletion from the
7-45 assessment roll that does not increase the amount of assessment of
7-46 any parcel of land without providing notice and holding a hearing in
7-47 the manner required for additional assessments.
7-48 (e) The district may not impose an impact fee on the
7-49 property, including equipment and facilities, of a public utility
7-50 provider in the district.
7-51 Sec. 3894.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.
7-52 Section 375.161, Local Government Code, does not apply to the
7-53 district.
7-54 Sec. 3894.155. MAINTENANCE AND OPERATION TAX; ELECTION.
7-55 (a) Except as provided by Section 3894.161, the district may
7-56 impose a tax for maintenance and operation purposes, including for:
7-57 (1) planning, constructing, acquiring, maintaining,
7-58 repairing, and operating all improvement projects, including land,
7-59 plants, works, facilities, improvements, appliances, and equipment
7-60 of the district; and
7-61 (2) paying costs of services, engineering and legal
7-62 fees, and organization and administrative expenses.
7-63 (b) The district may not impose a maintenance and operation
7-64 tax unless the maximum tax rate is approved by the governing body of
7-65 the city and a majority of the district voters voting at an election
7-66 held for that purpose. If the maximum tax rate is approved, the
7-67 board may impose the tax at any rate that does not exceed the
7-68 approved rate.
7-69 (c) A maintenance and operation tax election may be held at

8-1 the same time and in conjunction with any other district election.
8-2 The election may be called by a separate election order or as part
8-3 of any other election order.

8-4 (d) The proposition in a maintenance and operation tax
8-5 election may be for a specific maximum rate.

8-6 Sec. 3894.156. USE OF SURPLUS MAINTENANCE AND OPERATION
8-7 MONEY. If the district has surplus maintenance and operation tax
8-8 money that is not needed for the purposes for which it was
8-9 collected, the money may be used for any authorized purpose.

8-10 Sec. 3894.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING
8-11 BONDS. The district may not issue bonds until the governing body of
8-12 the city approves a bond issuance plan authorizing and setting
8-13 forth the limitations on the issuance of the bonds.

8-14 Sec. 3894.158. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
8-15 APPROVAL. (a) Except as provided by Sections 3894.157 and
8-16 3894.161, the district may issue, by competitive bid or negotiated
8-17 sale, bonds, notes, or other obligations payable wholly or partly
8-18 from ad valorem taxes or assessments in the manner provided by
8-19 Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local
8-20 Government Code.

8-21 (b) In exercising the district's borrowing power, the
8-22 district may issue a bond or other obligation in the form of a bond,
8-23 note, certificate of participation or other instrument evidencing a
8-24 proportionate interest in payments to be made by the district, or
8-25 other type of obligation.

8-26 (c) In addition to the sources of money described by
8-27 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
8-28 Government Code, district bonds may be secured and made payable
8-29 wholly or partly by a pledge of any part of the net proceeds the
8-30 district receives from any other district revenue.

8-31 Sec. 3894.159. BOND MATURITY. Bonds may mature not more
8-32 than 40 years from their date of issue.

8-33 Sec. 3894.160. TAXES FOR BONDS AND OTHER OBLIGATIONS.
8-34 (a) At the time bonds or other obligations payable wholly or
8-35 partly from ad valorem taxes are issued:

8-36 (1) the board shall impose a continuing direct annual
8-37 ad valorem tax, without limit as to rate or amount, for each year
8-38 that all or part of the bonds are outstanding; and

8-39 (2) the district annually shall impose an ad valorem
8-40 tax on all taxable property in the district in an amount sufficient
8-41 to:

8-42 (A) pay the interest on the bonds or other
8-43 obligations as the interest becomes due;

8-44 (B) create a sinking fund for the payment of the
8-45 principal of the bonds or other obligations when due or the
8-46 redemption price at any earlier required redemption date; and

8-47 (C) pay the expenses of imposing the taxes.

8-48 (b) Bonds or other obligations that are secured by and
8-49 payable from ad valorem taxes may not be issued unless the bonds and
8-50 the imposition of the taxes are approved by:

8-51 (1) a majority of the district voters voting at an
8-52 election held for that purpose; and

8-53 (2) the governing body of the city.

8-54 (c) The district shall hold an election required by this
8-55 section in the manner provided by Chapter 54, Water Code.

8-56 Sec. 3894.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
8-57 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
8-58 may issue bonds, impose taxes, or borrow money, the district and the
8-59 city must negotiate and execute a mutually approved and accepted
8-60 interlocal project development agreement regarding the development
8-61 plans and rules for:

8-62 (1) the development and operation of the district; and

8-63 (2) the financing of improvement projects.

8-64 Sec. 3894.162. CITY NOT REQUIRED TO PAY DISTRICT
8-65 OBLIGATIONS. Except as provided by Section 375.263, Local
8-66 Government Code, the city is not required to pay a bond, note, or
8-67 other obligation of the district.

8-68 [Sections 3894.163-3894.200 reserved for expansion]

8-

SUBCHAPTER E. DISSOLUTION

Sec. 3894.201. DISSOLUTION BY CITY ORDINANCE. (a) If the city by ordinance adopts by a two-thirds vote of its governing body an ordinance to dissolve the district, the district is dissolved.

(b) The district may not be dissolved until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.

(c) The district may not be dissolved until the agreement under Section 3894.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Sec. 3894.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) If the district is dissolved, the city has and may exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Sec. 3894.203. ASSUMPTION OF ASSETS AND LIABILITIES.

(a) The district may not be dissolved by the city unless the city assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

SECTION 2. The Rowlett Downtown Management District initially includes all territory contained in the following area:

BEING approximately 19 acres of land located in the Thomas Payne Survey, Abstract No. 1165, and approximately 19 acres of land located in the William Crabtree Survey, Abstract No. 347, City of Rowlett, Dallas County, Texas. Said 38 combined acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron pipe found in the South boundary line of said Payne Survey, and the North boundary line of said Crabtree Survey, at the point of intersection of said Survey line with the South right-of-way line of The Dallas Area Rapid Transit railroad, and said Point Of Beginning also being the West corner of the tract of land conveyed to the City of Rowlett by the deed recorded in Volume 2004067, page 04282 of the Deed Records of Dallas County, Texas;

THENCE Northeasterly, approximately 166 feet, along the South right-of-way line of said Dallas Area Rapid Transit railroad to a point at the intersection of the West right-of-way line of Commerce Street;

THENCE Northeasterly, approximately 114 feet, crossing said Dallas Area Rapid Transit railroad to a point in the North right-of-way line of said railroad, lying at the most Southerly Southeast corner of Lot 5, Block 5, Rowlett Business Park, No. 2, an addition to the City of Rowlett, Dallas County, Texas, according to the plat recorded in Volume 82015, page 1127 of the Deed Records of Dallas County, Texas;

THENCE Northerly, approximately 155 feet, along the most Southerly East boundary line of said Lot 5, and the West boundary line of the tract of land conveyed to the City of Rowlett by the deed recorded in Volume 99034, page 4307 of the Deed Records of Dallas County, Texas, to a point at the Northwest corner of said City of Rowlett tract, being the Southwest corner of the tract of land conveyed to the City of Rowlett by the deed recorded in Volume 99083, page 2213 of the Deed Records of Dallas County, Texas;

THENCE Northerly, approximately 285 feet, along the West boundary line of said City of Rowlett tract recorded in Volume

10-1 99083, page 2213 of the Deed Records of Dallas County, Texas, to a
10-2 point in the North right-of-way line of Melcer Drive;
10-3 THENCE Easterly, approximately 837 feet, along the North
10-4 right-of-way line of said Melcer Drive, to a point in the West
10-5 right-of-way line of Martin Drive;
10-6 THENCE Northerly, approximately 820 feet, along the West
10-7 right-of-way line of said Martin Drive, to a point in the South
10-8 right-of-way line of Lakeview Parkway;
10-9 THENCE Easterly, approximately 195 feet, along the South
10-10 right-of-way line of said Lakeview Parkway, to a point at the
10-11 Northeast corner of Lot 1, Block 1, Carlisle Subdivision, an
10-12 addition to the City of Rowlett, Dallas County, Texas, according to
10-13 the plat recorded in Volume 85081, page 1854 of the Deed Records of
10-14 Dallas County, Texas;
10-15 THENCE Southerly, approximately 201 along the East boundary
10-16 line of said Lot 1, Block 1, Carlisle Subdivision, to a point at the
10-17 Southeast corner of said Lot 1;
10-18 THENCE Westerly, approximately 145 feet along the South
10-19 boundary line of said Lot 1, Block 1, Carlisle Subdivision, to a
10-20 point in the East right-of-way line of aforesaid Martin Drive;
10-21 THENCE Southerly, approximately 217 feet, along the East
10-22 right-of-way line of said Martin Drive, to a point in the North
10-23 right-of-way line of Industrial Street;
10-24 THENCE Easterly, approximately 1,251 feet along the North
10-25 right-of-way line of said Industrial Street, being the South
10-26 boundary line of Block 3, of aforesaid Rowlett Business Park, No. 2,
10-27 to a point at the most Easterly Southeast corner of Lot 11 of said
10-28 Block 3, Rowlett Business Park No. 2;
10-29 THENCE Southerly, approximately 544 feet, crossing said
10-30 Industrial Street, and running along the East boundary line of Lot
10-31 24, of Block 5 of said Rowlett Business Park No. 2, to a point at the
10-32 Southeast corner of said Lot 24, lying in the North right-of-way
10-33 line of aforesaid Dallas Area Rapid Transit railroad;
10-34 THENCE Southwesterly, approximately 453 feet, along the
10-35 North right-of-way line of said Dallas Area Rapid Transit railroad,
10-36 and the South boundary line of said Block 5, Rowlett Business Park
10-37 No. 2, to a point at the Southwest corner of Lot 22 of said Block 5,
10-38 Rowlett Business Park No. 2;
10-39 THENCE Northerly, approximately 522 feet, along the West
10-40 boundary line of said Lot 22, Block 5, Rowlett Business Park No. 2,
10-41 to a point at the Northwest corner of said Lot 22, lying in the South
10-42 right-of-way line of aforesaid Industrial Street;
10-43 THENCE Westerly, approximately 420 feet, along the South
10-44 right-of-way line of said Industrial Street, and the North boundary
10-45 line of said Block 5, Rowlett Business Park No. 2, to a point at the
10-46 Northeast corner of Lot 18 of said Block 5, Rowlett Business Park
10-47 No. 2;
10-48 THENCE Southerly, approximately 625 feet, along the East
10-49 boundary line of said Lot 18, Block 5, Rowlett Business Park No. 2,
10-50 to a point at the Southeast corner of said Lot 18, lying in the North
10-51 right-of-way line of aforesaid Dallas Area Rapid Transit railroad;
10-52 THENCE along the North right-of-way line of said Dallas Area
10-53 Rapid Transit railroad as follows:
10-54 1. Southwesterly, approximately 377 feet, along the
10-55 South boundary line of Lot 14, and 18, of said Block 5,
10-56 Rowlett Business Park No. 2, to a point at the Southwest
10-57 corner of said Lot 14, lying in the East boundary line of Lot
10-58 13, of said Block 5;
10-59 2. Southeasterly, approximately 25 feet, along the
10-60 East boundary line of said Lot 13, Block 5, to a point at the
10-61 Southeast corner of said Lot 13;
10-62 3. Southwesterly, approximately 343 feet, along the
10-63 South boundary line of Lots 11, 12, and 13 of said Block 5,
10-64 Rowlett Business Park No. 2, to a point at the Southwest
10-65 corner of said Lot 11;
10-66 THENCE Northwesterly, approximately 155 feet, along the West
10-67 boundary line of said Lot 11, Block 5, Rowlett Business Park No. 2,
10-68 to a point in the most Northerly South boundary line of said Lot 11;
10-69 THENCE Southwesterly, approximately 11 feet, along the most

11-1 Northerly South boundary line of said Lot 11, to a point at the most
11-2 Westerly Southwest corner of said Lot 11;

11-3 THENCE Northerly, approximately 157 feet, along the West
11-4 boundary line of said Lot 11, to a point at the Northwest corner of
11-5 said Lot 11, lying in the South right-of-way line of aforesaid
11-6 Melcer Drive;

11-7 THENCE Westerly, approximately 500 feet, along the South
11-8 right-of-way line of said Melcer Drive, and the most Southerly,
11-9 North boundary line of said Block 5, Rowlett Business Park No. 2, to
11-10 a point at the Northwest corner of Lot 6 of said Block 5, being the
11-11 Northeast corner of the aforesaid tract of land conveyed to the City
11-12 of Rowlett by the deed recorded in Volume 99083, page 2213 of the
11-13 Deed Records of Dallas County, Texas;

11-14 THENCE Southerly, approximately 226 feet, along the East
11-15 boundary line of said City of Rowlett tract, and the West boundary
11-16 line of said Lot 6, to a point at the Southwest corner of said Lot 6,
11-17 and the Southeast corner of Lot 5, of said Block 5, Rowlett Business
11-18 Park No. 2;

11-19 THENCE Southwesterly, approximately 11 feet, along the South
11-20 boundary line of said Lot 5, to a point at the Northeast corner of
11-21 the aforesaid tract of land conveyed to the City of Rowlett by the
11-22 deed recorded in Volume 99034, page 4307 of the Deed Records of
11-23 Dallas County, Texas;

11-24 THENCE Southerly, approximately 169 feet, along the East
11-25 boundary line of said City of Rowlett tract recorded in Volume
11-26 99034, page 4307, and continuing to a point;

11-27 THENCE Southwesterly, approximately 97 feet, crossing the
11-28 aforesaid Dallas Area Rapid Transit railroad, to a point in the
11-29 South right-of-way line of said railroad, being the North boundary
11-30 line of the aforesaid tract of land conveyed to the City of Rowlett
11-31 by the deed recorded in Volume 2004067, page 04282 of the Deed
11-32 Records of Dallas County, Texas;

11-33 THENCE Northeasterly, approximately 362 feet, along the
11-34 South right-of-way line of said Dallas Area Rapid Transit railroad,
11-35 and the North boundary line of said City of Rowlett tract recorded
11-36 in Volume 2004067, page 04282, to a point at the Northeast corner of
11-37 said City of Rowlett tract;

11-38 THENCE Southeasterly, approximately 99 feet, along the East
11-39 boundary line of said City of Rowlett tract, to a point at the
11-40 Southeast corner of said City of Rowlett tract, lying in the South
11-41 boundary line of the tract of land conveyed to Jeffrey D. Mayhall,
11-42 and wife Camille Mayhall by the deed recorded in Volume 96198, page
11-43 1273 of the Deed Records of Dallas County, Texas;

11-44 THENCE Easterly, approximately 190 feet along the South
11-45 boundary line of said Mayhall tract to a point at the Southeast
11-46 corner of said Mayhall tract;

11-47 THENCE Southerly, approximately 10 feet to a point in the
11-48 North boundary line of Lot 1, Block B, Municipal Complex Addition,
11-49 to the City of Rowlett, Dallas County, Texas according to the plat
11-50 recorded in County Clerk's file No. 2006002238027 of the Deed
11-51 Records of Dallas County, Texas;

11-52 THENCE Easterly, approximately 51 feet, along the North
11-53 boundary line of said Lot 1, Block B, Municipal Complex Addition, to
11-54 a point at the Northeast corner of said Lot 1, Block B;

11-55 THENCE Southerly, approximately 137 feet, along the East
11-56 boundary line of said Lot 1, Block B, Municipal Complex Addition, to
11-57 a point at the Southeast corner of said Lot 1, Block B, lying in the
11-58 North right-of-way line of Main Street;

11-59 THENCE Northeasterly, approximately 482 feet, along the
11-60 North right-of-way line of said Main Street, to a point in the West
11-61 right-of-way line of Skyline Drive;

11-62 THENCE Southerly, approximately 87 feet, crossing said Main
11-63 Street, to a point at the Northeast corner of Lot 1, Block A,
11-64 Municipal Complex Addition, to the City of Rowlett, Dallas County,
11-65 Texas, according to the plat recorded in Volume 95327, page 2810 of
11-66 the Deed Records of Dallas County, Texas;

11-67 THENCE Southerly, approximately 425 feet, along the East
11-68 boundary line of said Lot 1, Block B, Municipal Complex Addition,
11-69 and the West right-of-way line of aforesaid Skyline Drive, to a

12-1 point at the Southeast corner of said Lot 1, Block A, being the
12-2 Northeast corner of Lot 1, Block 1, South Ridge Addition, No. 3, and
12-3 addition to the City of Rowlett, Dallas County, Texas, according to
12-4 the plat recorded in Volume 69117, page 2087 of the Deed Records of
12-5 Dallas County, Texas;
12-6 THENCE Westerly, approximately 150 feet along the North
12-7 boundary line of said Lot 1, Block 1, South Ridge Addition, No. 3,
12-8 to a point at the Northwest corner of said Lot 1, Block 1, South
12-9 Ridge Addition, No. 3;
12-10 THENCE Southerly, approximately 498 feet, along the West
12-11 boundary line of said Block 1, South Ridge Addition, No. 3, to a
12-12 point;
12-13 THENCE Westerly, approximately 360 feet, along the North
12-14 boundary line of Lot 7, Block 1, and Lot 1, Block 6 of said South
12-15 Ridge Addition, No. 3, to a point;
12-16 THENCE Southerly, approximately 20 feet, to a point at the
12-17 Northeast corner of Lot 2, Block 6, South Ridge Addition, No. 4, an
12-18 addition to the City of Rowlett, Dallas County, Texas, according to
12-19 the plat recorded in Volume 76104, page 1684 of the Deed Records of
12-20 Dallas County, Texas;
12-21 THENCE Westerly, approximately 185 feet, along the North
12-22 boundary line of said Lot 2, Block 6, South Ridge Addition, No. 4,
12-23 to a point in the West right-of-way line of Aspen Drive;
12-24 THENCE Southerly, approximately 32 feet, along the West
12-25 right-of-way line of said ASPEN DRIVE, to a point at the Northeast
12-26 corner of Lot 12, Block 7 of said South Ridge Addition, No. 4;
12-27 THENCE Westerly, approximately 150 feet, along the North
12-28 boundary line of said Lot 12, Block 7, South Ridge Addition, No. 4,
12-29 to a point at the Northwest corner of said Lot 12, Block 7;
12-30 THENCE Northerly, approximately 740 feet, to a point at the
12-31 Northwest of Lot 3, Block A, of aforesaid Municipal Complex
12-32 Addition, to the City of Rowlett, Dallas County, Texas, according
12-33 to the plat recorded in Volume 95237, page 2810 of the Deed Records
12-34 of Dallas County, Texas;
12-35 THENCE Easterly, approximately 131 feet, along the most
12-36 Southerly North boundary line of said Lot 3, Block A, Municipal
12-37 Complex Addition, to a point;
12-38 THENCE Northerly, approximately 163 feet, along the most
12-39 Easterly, West boundary line of said Lot 3, Block A, Municipal
12-40 Complex Addition, to a point at the Northwest corner of said Lot 3,
12-41 lying in the South right-of-way line of aforesaid Main Street;
12-42 THENCE Southwesterly, approximately 65 feet, along the South
12-43 right-of-way line of said Main Street, to a point at the Northeast
12-44 corner of Lot 43, Original Town Of Rowlett, an addition to the City
12-45 of Rowlett, Dallas County, Texas, according to the plat recorded in
12-46 Volume 2, page 217 of the Map Records of Dallas County, Texas;
12-47 THENCE Southerly, approximately 90 feet, along the East
12-48 boundary line of said Lot 43, to a point at the Southeast corner of
12-49 said Lot 43;
12-50 THENCE Westerly, approximately 50 feet, along the South
12-51 boundary line of Lot 42, and 43 of said Original Town Of Rowlett, to
12-52 a point at the Southwest corner of said Lot 42;
12-53 THENCE Northerly, approximately 90 feet, along the West
12-54 boundary line of said Lot 42, to a point at the Northwest corner of
12-55 said Lot 42, lying in the South right-of-way of aforesaid Main
12-56 Street;
12-57 THENCE Westerly, approximately 300 feet, along the South
12-58 right-of-way line of said Main Street, and the North boundary line
12-59 of Lots 33, through 41, of said Original Town Of Rowlett, to a point
12-60 in the West right-of-way line of aforesaid Commerce Street, and the
12-61 East boundary line of Lot 28 of said Original Town Of Rowlett;
12-62 THENCE Northerly, approximately 262 feet, along the West
12-63 right-of-way line of said Commerce Street, and the East boundary
12-64 line of Lots 19, through 28, of said Original Town Of Rowlett, to a
12-65 point in the North boundary line of aforesaid William Crabtree
12-66 Survey, and the South boundary line of the aforesaid Thomas Payne
12-67 Survey;
12-68 THENCE Westerly, approximately 164 feet, along said Survey
12-69 line to the Point Of Beginning, containing approximately 38 acres

13-1 of land.

13-2 The foregoing 38 acres description saves and excepts all
13-3 portions thereof, and contained therein of Lots 7 through 18 of the
13-4 Original Town of Rowlett, as indicated on the plat recorded in
13-5 Volume 2, Page 217 of the Map Records of Dallas County, Texas.

13-6 SECTION 3. (a) The legal notice of the intention to
13-7 introduce this Act, setting forth the general substance of this
13-8 Act, has been published as provided by law, and the notice and a
13-9 copy of this Act have been furnished to all persons, agencies,
13-10 officials, or entities to which they are required to be furnished
13-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
13-12 Government Code.

13-13 (b) The governor, one of the required recipients, has
13-14 submitted the notice and Act to the Texas Commission on
13-15 Environmental Quality.

13-16 (c) The Texas Commission on Environmental Quality has filed
13-17 its recommendations relating to this Act with the governor,
13-18 lieutenant governor, and speaker of the house of representatives
13-19 within the required time.

13-20 (d) The general law relating to consent by political
13-21 subdivisions to the creation of districts with conservation,
13-22 reclamation, and road powers and the inclusion of land in those
13-23 districts has been complied with.

13-24 (e) All requirements of the constitution and laws of this
13-25 state and the rules and procedures of the legislature with respect
13-26 to the notice, introduction, and passage of this Act have been
13-27 fulfilled and accomplished.

13-28 SECTION 4. This Act takes effect immediately if it receives
13-29 a vote of two-thirds of all the members elected to each house, as
13-30 provided by Section 39, Article III, Texas Constitution. If this
13-31 Act does not receive the vote necessary for immediate effect, this
13-32 Act takes effect September 1, 2009.

13-33

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