By: Hochberg (Senate Sponsor - Gallegos) H.B. No. 3828 (In the Senate - Received from the House May 4, 2011; 1-1 H.B. No. 3828 1-2 1-3 May 5, 2011, read first time and referred to Committee on Intergovernmental Relations; May 21, 2011, reported adversely, with favorable Committee Substitute by the following vote: Yeas 5, 1-4 1-5 1-6 Nays 0; May 21, 2011, sent to printer.) COMMITTEE SUBSTITUTE FOR H.B. No. 3828 1-7 By: Gallegos 1-8 A BILL TO BE ENTITLED 1-9 AN ACT 1-10 relating to the creation of the Gulfton Area Municipal Management 1-11 District; providing authority to impose a tax, levy an assessment, and issue bonds. 1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 1-13 1**-**14 1**-**15 SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3889 to read as follows: 1-16 CHAPTER 3889. GULFTON AREA MUNICIPAL MANAGEMENT DISTRICT SUBCHAPTER A. GENERAL PROVISIONS 1 - 173889.001. DEFINITIONS. In this chapter: (1) "Board" means the district's board of directors. (2) "City" means the City of Houston, Texas. 1-18 Sec. 1-19 1-20 "Director" means a board member. 1-21 (3) (4) "District" means the Gulfton Area Mun<u>icipal</u> 1-22 Management District. 1-23 Sec. 3889.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article 1-24 1**-**25 XVI, Texas Constitution. 1-26 Sec. 3889.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this 1-27 1-28 1-29 1-30 chapter. By creating the district and in authorizing the city and 1-31 1-32 other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution. (b) The creation of the district is necessary to promote, 1-33 1-34 1-35 develop, encourage, and maintain commerce, employment, 1-36 transportation, housing, tourism, recreation, entertainment, economic development, safety, and welfare in the district. (c) The district is created to supplement arts, the 1-37 1-38 the public 1-39 1-40 is created to supplement and not to 1-41 supplant city services provided in the district. 1-42 Sec. 3889.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. (b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, 1-43 1-44 1-45 1-46 Article III, and Section 59, Article XVI, Texas Constitution, and 1-47 other powers granted under this chapter. 1-48 1-49 (c) The creation of the district is in the and is essential to further the public purposes of: is in the public interest 1-50 1-51 (1) developing and diversifying the economy of the 1-52 state; (2) 1-53 eliminating unemployment and underemployment; developing or expanding transportation 1-54 (3) and 1-55 commerce; and 1-56 (4)providing quality residential housing. 1-57 The district will: (d) 1-58 (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public; 1-59 1-60 1-61 (2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business 1-62 1-63

C.S.H.B. No. 3828 2-1 center; and 2-2 (3) promote the health, safety, welfare, and enjoyment public by providing pedestrian ways and by landscaping, 2-3 the 2-4 removing graffiti, and developing certain areas in the district, which are necessary for the restoration, preservation, 2-5 and 2-6 enhancement of scenic beauty. 2-7 (e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street 2-8 landscaping, vehicle parking, and street art objects are parts of 2-9 2**-**10 2**-**11 and necessary components of a street and are considered to be an improvement project that includes a street or road improvement. 2-12 (f) The district will not act as the agent or instrumentality of any private interest even though the district 2-13 will benefit many private interests as well as the public. Sec. 3889.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the 2-14 2**-**15 2**-**16 2-17 Act enacting this chapter. 2-18 (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process 2-19 2-20 2-21 does not affect the district's: 2-22 organization, existence, or validity; (2) right to issue any type of bond for the purposes 2-23 for which the district is created or to pay the principal of and 2-24 interest on the bond; 2-25 2-26 (3) right to impose or collect an assessment or tax; or 2-27 (4) <u>legality or operation</u>. 3889.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. 2-28 Sec. 2-29 All or any part of the area of the district is eligible to be (a) 2-30 included in: 2-31 (1)a tax increment reinvestment zone created under 2-32 Chapter 311, Tax Code; (2) 2-33 a tax abatement reinvestment zone created under Chapt<u>er 312</u>, Tax Code; 2-34 2-35 (3) an enterprise zone created under Chapter 2303, 2-36 Government Code; or 2-37 (4) an industrial district created under Chapter 42, 2-38 Local Government Code. 2-39 (b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited 2-40 2-41 in the tax increment fund to the district to be used by the district 2-42 for the purposes permitted for money granted to a corporation under 2-43 Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds 2-44 2-45 2-46 2-47 under Section 380.002(b), Local Government Code, unless the project 2-48 has been approved by the governing body of the city. (c) A tax increment reinvestment zone created by the city in strict is not subject to the limitations provided by Section 2-49 the district is not su 311.006(b), Tax Code. 2-50 2-51 Sec. <u>3889.007</u>. 2-52 APPLICABILITY OF MUNICIPAL MANAGEMENT 2-53 DISTRICTS LAW. Except as otherwise provided by this chapter, <u>Chapter 375, Local Government Code, applies to the district.</u> <u>Sec. 3889.008. LIBERAL CONSTRUCTION OF CHAPTER.</u> This chapter shall be liberally construed in conformity with the 2-54 2-55 2-56 2-57 findings and purposes stated in this chapter. [Sections 3889.009-3889.050 reserved for expansion] 2-58 SUBCHAPTER B. BOARD OF DIRECTORS 2-59 Sec. 3889.051. GOVERNING BODY; TERMS. The district is governed by a board of seven directors who serve staggered terms of Th<u>e</u> 2-60 2-61 four years expiring June 1 of each even-numbered year. 2-62 Sec. 3889.052. QUALIFICATIONS OF DIRECTORS APPOINTED 2-63 ΒY (a) To be qualified to serve as a director appointed by the 2-64 CITY. governing body of the city, a person must be: (1) a resident of the district who is also a registered 2-65 2-66 2-67 voter of the district; (2) an owner of property in the district;
 (3) an owner of stock or a partnership or membership 2-68 2-69

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| 3-1 | interest, whether beneficial or otherwise, of a corporate |
| 3-2 | partnership, limited liability company, or other entity owner of a |
| 3-3 | direct or indirect interest in property in the district; |
| 3-4 | (4) an owner of a beneficial interest in a trust, or a |
| 3-5 | trustee in a trust, that directly or indirectly owns property in the |
| 3-6 3-7 | district; or (5) an agent, employee, or tenant of a person |
| 3-8 | (5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4). |
| 3-9 | (b) Section 49.052, Water Code, does not apply to the |
| 3-10 | district. |
| 3-11 | Sec. 3889.053. APPOINTMENT OF DIRECTORS. The governing |
| 3-12 | body of the city shall appoint directors from persons recommended |
| 3-13 | by the board. |
| 3 - 14 3 - 15 | Sec. 3889.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder |
| 3-15 | of the unexpired term. |
| 3-17 | Sec. 3889.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A |
| 3-18 | director shall file the director's oath or affirmation of office |
| 3-19 | with the district, and the district shall retain the oath or |
| 3-20 | affirmation in the district records. |
| 3-21 3-22 | (b) A director shall file a copy of the director's oath or |
| 3-22 | <u>affirmation with the secretary of the city.</u> <u>Sec. 3889.056. QUORUM. A vacant director position is not</u> |
| 3-24 | counted for purposes of establishing a quorum. |
| 3-25 | Sec. 3889.057. OFFICERS. The board shall elect from among |
| 3-26 | the directors a chair, a vice chair, and a secretary. The offices |
| 3-27 | of chair and secretary may not be held by the same person. |
| 3-28 3-29 | Sec. 3889.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$50 for each |
| 3-29 | board meeting. The total amount of compensation for each director |
| 3-31 | in one year may not exceed \$2,000. |
| 3-32 | (b) A director is entitled to reimbursement for necessary |
| 3-33 | and reasonable expenses incurred in carrying out the duties and |
| 3-34 | responsibilities of the board. |
| 3-35 3-36 | Sec. 3889.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance |
| 3-30 | coverage from a commercial insurance company or other source that |
| 3-38 | protects and insures a director against personal liability and from |
| 3-39 | all claims relating to: |
| 3-40 | (1) actions taken by the director in the director's |
| 3-41 3-42 | capacity as a member of the board; |
| 3 - 42 3 - 43 | (2) actions and activities taken by the district; or(3) the actions of others acting on behalf of the |
| 3-44 | district. |
| 3-45 | Sec. 3889.060. NO EXECUTIVE COMMITTEE. The board may not |
| 3-46 | create an executive committee to exercise the powers of the board. |
| 3-47 | Sec. 3889.061. BOARD MEETINGS. The board shall hold |
| 3 - 48 3 - 49 | meetings at a place accessible to the public. Sec. 3889.062. INITIAL DIRECTORS. (a) The initial board |
| 3-50 | consists of: |
| 3-51 | Pos. No. Name of Director |
| 3-52 | 1 Shelly E. Richardson |
| 3-53 | 1Shelly E. Richardson2Paul Rafferty3Tammy Rodriguez4Mike Irwin5Richard Rodriguez6Joy Rice7Patrick Horton |
| 3-54 | 3 Tammy Rodriguez |
| 3 - 55 3 - 56 | 4Mike Irwin5Richard Rodriguez |
| 3-57 | <u>Joy Rice</u> |
| 3-58 | 7 Patrick Horton |
| 3-59 | (b) The terms of the initial directors expire June 1, 2012. |
| 3-60 | (c) Of the directors who replace an initial director, the |
| 3-61 3-62 | terms of directors serving in positions 1, 2, 3, and 4 expire June 1, 2014, and the terms of directors serving in positions 5, 6, and 7 |
| 3-62 3-63 | expire June 1, 2016. |
| 3-64 | (d) Section 3889.052 does not apply to this section. |
| 3-65 | (e) This section expires September 1, 2012. |
| 3-66 | [Sections 3889.063-3889.100 reserved for expansion] |
| 3-67 | SUBCHAPTER C. POWERS AND DUTIES |
| 3-68 3-69 | Sec. 3889.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for |
| 2-09 | the powers and ductes necessary to accomption the purposes for |

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| 4-1 | which the district is created. |
| 4-2 | Sec. 3889.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The |
| 4 - 3 | district may provide, design, construct, acquire, improve, |
| 4-4 | relocate, operate, maintain, or finance an improvement project or |
| 4-5 | service using money available to the district, or contract with a |
| 4-6 | governmental or private entity to provide, design, construct, |
| 4-7 | acquire, improve, relocate, operate, maintain, or finance an |
| 4-8 | improvement project or service authorized under this chapter or |
| 4-9 | Chapter 375, Local Government Code. |
| 4-10 | (b) An improvement project described by Subsection (a) may |
| 4-11 | be located: |
| 4-12 | (1) in the district; or |
| 4-13 | (2) in an area outside but adjacent to the district if |
| 4-14 | the project is for the purpose of extending a public infrastructure |
| 4-15 | improvement beyond the district's boundaries to a logical terminus. |
| 4-16 | Sec. 3889.103. DEVELOPMENT CORPORATION POWERS. The |
| 4-17 | district, using money available to the district, may exercise the |
| 4-18 | powers given to a development corporation under Chapter 505, Local |
| 4-19 | Government Code, including the power to own, operate, acquire, |
| 4-20 | construct, lease, improve, or maintain a project under that |
| 4-21 | chapter. |
| 4-22 | Sec. 3889.104. NONPROFIT CORPORATION. (a) The board by |
| 4-23 | resolution may authorize the creation of a nonprofit corporation to |
| 4-24 | assist and act for the district in implementing a project or |
| 4-25 | providing a service authorized by this chapter. |
| 4-26 | (b) The nonprofit corporation: |
| 4-27 | (1) has each power of and is considered to be a local |
| 4-28 | government corporation created under Subchapter D, Chapter 431, |
| 4-29 | Transportation Code; and |
| 4-30 | (2) may implement any project and provide any service |
| 4-31 | authorized by this chapter. |
| 4-32 | (c) The board shall appoint the board of directors of the |
| 4-33 | nonprofit corporation. The board of directors of the nonprofit |
| 4-34 | corporation shall serve in the same manner as the board of directors |
| 4 - 35 | of a local government corporation created under Subchapter D, |
| 4-36 | Chapter 431, Transportation Code, except that a board member is not |
| 4-37 | required to reside in the district. |
| 4-38 | Sec. 3889.105. AGREEMENTS; GRANTS. (a) As provided by |
| 4-39 | Chapter 375, Local Government Code, the district may make an |
| 4-40 | <u>agreement with or accept a gift, grant, or loan from any person.</u> |
| 4-41 | (b) The implementation of a project is a governmental |
| 4-42 | function or service for the purposes of Chapter 791, Government |
| 4-43 | Code. |
| 4-44 | Sec. 3889.106. LAW ENFORCEMENT SERVICES. To protect the |
| 4-45 | public interest, the district may contract with a qualified party, |
| 4-46 | including Harris County or the city, to provide law enforcement |
| 4-47 | services in the district for a fee. |
| 4-48 | Sec. 3889.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The |
| 4-49 | district may join and pay dues to a charitable or nonprofit |
| 4-50 | organization that performs a service or provides an activity |
| 4-51 | consistent with the furtherance of a district purpose. |
| 4-52 | Sec. 3889.108. ECONOMIC DEVELOPMENT. (a) The district may |
| 4-53 | engage in activities that accomplish the economic development |
| 4-54 | purposes of the district. |
| 4-55 | (b) The district may establish and provide for the |
| 4 - 56 4 - 57 | administration of one or more programs to promote state or local economic development and to stimulate business and commercial |
| 4-57 4-58 | activity in the district, including programs to: |
| 4-58 4 - 59 | (1) make loans and grants of public money; and |
| 4-60 | (2) provide district personnel and services. |
| 4-80 4 - 61 | (c) The district may create economic development programs |
| 4-61 4 - 62 | and exercise the economic development powers that: |
| 4-63 | (1) Chapter 380, Local Government Code, provides to a |
| 4-64 | municipality; and |
| 4-65 | (2) Subchapter A, Chapter 1509, Government Code, |
| 4-66 | provides to a municipality. |
| 4-67 | Sec. 3889.109. PARKING FACILITIES. (a) The district may |
| 4-68 | acquire, lease as lessor or lessee, construct, develop, own, |
| 4-69 | operate, and maintain parking facilities or a system of parking |
| | |

C.S.H.B. No. 3828 facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the 5-1 5-2 5-3 streets and related appurtenances. 5 - 4The district's parking facilities serve the public (b) purposes of the district and are owned, used, and held for a public 5-5 5-6 purpose even if leased or operated by a private entity for a term of 5-7 years. (c) The district's parking facilities are necessary components of a street and are considered to be a street or road 5-8 5-9 5-10 improvement. 5-11 The development and operation of the district's parking (d) 5-12 facilities may be considered an economic development program. 5-13 Sec. 3889.110. NO EMINENT DOMAIN POWER. The district may 5-14 not exercise the power of eminent domain. [Sections 3889.111-3889.150 reserved for expansion] 5**-**15 5**-**16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS 5-17 Sec. 3889.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The 5-18 board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of 5-19 the district's money. 5-20 5-21 MONEY USED FOR IMPROVEMENTS OR SERVICES. Sec. 3889.152. 5-22 The district may acquire, construct, finance, operate, or maintain 5-23 an improvement project or service authorized under this chapter or 5-24 Chapter 375, Local Government Code, using any money available to 5-25 the district 5-26 Sec. 3889.153. PETITION REQUIRED FOR FINANCING SERVICES AND 5-27 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a 5-28 service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement 5-29 has been filed with the board. (b) The petition must be signed by: 5-30 5-31 5-32 (1) the owners of a majority of the assessed value of 5-33 real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or 5-34 (2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the 5-35 5-36 5-37 most recent certified tax appraisal roll for Harris County. 5-38 Sec. 3889.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. 5-39 The district 5-40 Local 5-41 5-42 The board shall determine the method of notice. Sec. 3889.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. 5-43 (a) The board by resolution may impose and collect an assessment for any 5-44 purpose authorized by this chapter in all or any part district. 5-45 the of 5-46 (b) An ass<u>essment</u>, a reasse<u>ssment</u>, 5-47 or an assessment resulting from an addition to or correction of the assessment roll 5-48 5-49 by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney fees incurred by the district: 5-50 's 5-51 5-52 (1) are a first and prior lien against the property 5-53 assessed; (2) 5-54 are superior to any other lien or claim other than 5-55 a lien or claim for county, school district, or municipal ad valorem 5-56 taxes; and 5-57 are the personal liability of and a charge against (3)5-58 the owners of the property even if the owners are not named in the assessment proceedings. 5-59 (c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is 5-60 5-61 5-62 The board may enforce the lien in the same manner that the paid. 5-63 board may enforce an ad valorem tax lien against real property. 5-64 (d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in 5-65 5-66 the manner required for additional assessments. 5-67 5-68

5-68 Sec. 3889.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. 5-69 An assessment based on the taxable value of real property may not

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| 6-1 | exceed 12 cents per \$100 of assessed valuation of taxable property |
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| 6-2 | in the district, according to the most recent certified tax |
| 6-3 | appraisal roll for Harris County. |
| 6-4 | Sec. 3889.157. TAX AND ASSESSMENT ABATEMENTS. The district |
| 6-5 | may designate reinvestment zones and may grant abatements of a tax |
| 6-6 | or assessment on property in the zones. |
| 6-7 | [Sections 3889.158-3889.200 reserved for expansion] |
| 6 - 8 6 - 9 | SUBCHAPTER E. TAXES AND BONDS Sec. 3889.201. BONDS AND OTHER OBLIGATIONS. (a) The |
| 6-10 | district may issue, by public or private sale, bonds, notes, or |
| 6-11 | other obligations payable wholly or partly from ad valorem taxes or |
| 6-12 | assessments in the manner provided by Subchapter A, Chapter 372, or |
| 6-13 | Subchapter J, Chapter 375, Local Government Code. |
| 6-14 | (b) In exercising the district's borrowing power, the |
| 6-15 | district may issue a bond or other obligation in the form of a bond, |
| 6-16 | note, certificate of participation or other instrument evidencing a |
| 6-17 | proportionate interest in payments to be made by the district, or |
| 6-18 | other type of obligation. |
| 6-19 | (c) In addition to the sources of money described by |
| 6-20 6-21 | Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local |
| 6-21 6-22 | Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district |
| 6-23 | receives from improvement revenue or from any other source. |
| 6-24 | Sec. 3889.202. BOND MATURITY. Bonds may mature not more |
| 6-25 | than 40 years from their date of issue. |
| 6-26 | Sec. 3889.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At |
| 6-27 | the time bonds or other obligations payable wholly or partly from ad |
| 6-28 | valorem taxes are issued: |
| 6-29 | (1) the board shall impose a continuing direct annual |
| 6-30 | ad valorem tax for each year that all or part of the bonds are |
| 6-31 6-32 | outstanding; and (2) the district annually shall impose an ad valorem |
| 6-33 | tax on all taxable property in the district in an amount sufficient |
| 6-34 | to: |
| 6-35 | (A) pay the interest on the bonds or other |
| 6-36 | obligations as the interest becomes due; and |
| 6-37 | (B) create a sinking fund for the payment of the |
| 6-38 | principal of the bonds or other obligations when due or the |
| 6-39 | redemption price at any earlier required redemption date. Sec. 3889.204. ELECTIONS REGARDING TAXES. The district |
| 6-40 6-41 | must hold an election in the manner provided by Chapters 49 and 54, |
| 6-42 | Water Code, to obtain voter approval before the district may impose |
| 6-43 | an ad valorem tax. |
| 6-44 | [Sections 3889.205-3889.250 reserved for expansion] |
| 6-45 | SUBCHAPTER F. DISSOLUTION |
| 6-46 | Sec. 3889.251. DISSOLUTION BY CITY ORDINANCE. (a) The city |
| 6-47 | by ordinance may dissolve the district. |
| 6-48 | (b) The city may not dissolve the district until the |
| 6 - 49 6 - 50 | district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the |
| 6-51 | city has affirmatively assumed the obligation to pay the |
| 6-52 | outstanding debt from city revenue. |
| 6-53 | Sec. 3889.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. |
| 6-54 | (a) If the dissolved district has bonds or other obligations |
| 6-55 | outstanding secured by and payable from assessments or other |
| 6-56 | revenue, other than ad valorem taxes, the city shall succeed to the |
| 6-57 | rights and obligations of the district regarding enforcement and |
| 6-58 | collection of the assessments or other revenue. |
| 6 - 59 6 - 60 | (b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay: |
| 6-61 | (1) the bonds or other obligations when due and |
| 6-62 | payable according to their terms; or |
| 6-63 | (2) special revenue or assessment bonds or other |
| 6-64 | obligations issued by the city to refund the outstanding bonds or |
| 6-65 | obligations. |
| 6-66 | Sec. 3889.253. CONCURRENCE ON ADDITIONAL POWERS. If the |
| 6-67 | legislature grants the district a power that is in addition to the |
| 6-68 | powers approved by the initial resolution of the governing body of |
| 6-69 | the city consenting to the creation of the district, the district |

C.S.H.B. No. 3828 may not exercise that power unless the governing body of the city 7-1 consents to that change by resolution. 7-2

7-3 Sec. 3889.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) 7-4 After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the 7-5 district, including any bonds or other debt payable from assessments or other district revenue. 7-6 7-7

7-8 (b) If the city dissolves the district, the board shall transfer ownership of all district property to the city. 7-9

7-10 SECTION 2. The Gulfton Area Municipal Management District 7-11 initially includes all the territory contained in the following 7-12 area:

7-13 The District will include the right-of-way of the Toll Road at West Park Toll road, Beginning at that point, and travelling westerly along the US Hwy 59 corridor to Hilcroft, heading southerly along the eastern boundary of the Greater Sharpstown Management District, to Bissonnet Street, then heading easterly along Bissonnet, and including the right-or-way of Bissonnet to 7-14 7-15 7-16 7-17 7-18 Rampart, then south to Pine, then East to Renwick, then North to 7-19 7**-**20 7**-**21 Bissonnet, then east along Bissonnet to Jassmine, east to Otto, then following the City of Bellaire western city limit line 7-22 northerly until the point of Beginning.

7-23 SAVE AND EXCEPT:

7-24 A PARCEL OF LAND CONTAINING 7.1117 ACRES (309,787 SQUARE FEET) MORE OR LESS BEING LOTS 33, 34, 35, 36, 53, 54, 55, 56 AND 57, BLOCK 23, WESTMORELAND FARMS, AMENDED FIRST SUBDIVISION, AS RECORDED IN 7-25 . 7**-**26 7-27 VOLUME 3, PAGE 60, HARRIS COUNTY MAP RECORDS, AND BEING TRACT ONE AND TRACT TWO, CONVEYED FROM BELLAIRE RENWICK SQUARE, LTD. TO I.M.C.S. OF TEXAS, INC., AS RECORDED IN COUNTY CLERK'S FILE NO. M893430, OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, HARRIS COUNTY, TEXAS, O.P.R.R.P.H.C.T., SAID 7.1117 ACRE TRACT BEING SITUATED IN 7-28 7-29 7-30 7**-**31 7-32 THE DAY LAND CATTLE CO. SURVEY, ABSTRACT NO.1167 AND W. TWIST SURVEY, ABSTRACT NO. 765, IN HARRIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: 7-33 7-34

BEGINNING, AT A FOUND 5/8 INCH IRON ROD AT THE INTERSECTION OF THE NORTH END OF BELLAIRE BOULEVARD, 120 FOOT RIGHT-OF-WAY, AS SHOWN IN SAID VOLUME 3, PAGE 60, HARRIS COUNTY MAP RECORDS, WITH THE WEST END 7-35 7-36 7-37 OF ATWELL STREET, RIGHT-OF-WAY VARIES, FOR THE SOUTHEAST CORNER OF 7-38 SAID LOT 57, AND THE SOUTHEAST CORNER OF SAID TRACT TWO; 7-39

THENCE, S 87° 36' 04" W, WITH THE SAID NORTH END OF BELLAIRE BOULEVARD, SAME BEING THE SOUTH END OF SAID LOTS 57, 56, 55, 54 AND 7-40 7-41 53, AND THE SOUTH END OF SAID TRACT TWO, A DISTANCE OF 585.00 FEET TO 7-42 A SET 5/8 INCH IRON ROD WITH CAP STAMPED CIVIL-SURV, FOR THE MOST EASTERLY CUTBACK CORNER IN THE SAID NORTH END OF BELLAIRE BOULEVARD, WITH THE EAST END OF RENWICK DRIVE, 90 FOOT 7-43 7-44 7-45 RIGHT-OF-WAY, SAME BEING THE MOST EASTERLY CORNER OF THAT CERTAIN 7-46 0.0026 OF AN ACRE TRACT AWARDED TO THE CITY OF HOUSTON IN AN EMINENT 7-47 DOMAIN PROCEEDING, CITY OF HOUSTON VS. BELLAIRE RENWICK SQUARE, LTD., AS RECORDED IN CAUSE NO. 561577 OF THE COUNTY CIVIL COURT AT 7-48 7-49 7-50 LAW NO. 2 OF HARRIS COUNTY, TEXAS: FROM WHICH THE SOUTHWEST CORNER 7-51 OF SAID LOT 53, AND THE SOUTHWEST CORNER OF SAID TRACT TWO, AND ALSO 7-52 THE SOUTHWEST CORNER OF THE SAID 0.0026 ACRE TRACT, BEARS, N 87° 36' 7-53

04" W, 15.00 FEET; THENCE, N 47° 23' THENCE, N 47° 23' 56" W. CROSSING A PORTION OF SAID LOT 53, AND CROSSING A PORTION OF SAID TRACT TWO, WITH THE NORTHEAST END OF THE SAID 0.0026 ACRE TRACT, A DISTANCE OF 21.21 FEET, TO A SET 5/8 INCH 7-54 7-55 7-56 IRON ROD WITH CAP STAMPED CIVIL-SURV, IN THE WEST END OF SAID LOT 53, AND THE WEST END OF SAID TRACT TWO, FOR THE MOST NORTHERLY 7-57 7-58 CUTBACK CORNER IN THE SAID EAST END OF RENWICK DRIVE, WITH THE SAID 7-59 NORTH END OF BELLAIRE BOULEVARD, SAME BEING THE MOST NORTHERLY 7-60 7-61

CORNER OF THE SAID 0.0026 ACRE TRACT, THENCE, N 02° 23' 56" W, WITH THE SAID EAST END OF RENWICK DRIVE, SAME BEING THE SAID WEST END OF SAID LOT 53, AND THE WEST END OF SAID 7-62 7-63 TRACT TWO. AT A DISTANCE OF 255.00 FEET, PASS THE SOUTHWEST CORNER OF SAID LOT 33, AND THE SOUTHWEST CORNER OF SAID TRACT ONE, SAME 7-64 7-65 BEING THE NORTHWEST CORNER OF SAID LOT 53, AND THE NORTHWEST CORNER OF SAID TRACT TWO, AND WITH THE WEST END OF SAID LOT 33, AND THE WEST END OF SAID TRACT ONE, A TOTAL DISTANCE OF 555.00 FEET, TO A FOUND 7-66 7-67 7-68 5/8 INCH IRON ROD WITH CAP, AT THE INTERSECTION OF THE SAID EAST END 7-69

C.S.H.B. No. 3828 8-1 OF RENWICK DRIVE, WITH THE SOUTH END OF DASHWOOD STREET, 60 FOOT 8-2 RIGHT-OF-WAY, AS SHOWN IN SAID VOLUME 3, PAGE 60, HARRIS COUNTY MAP 8-3 RECORDS, FOR THE NORTHWEST CORNER OF SAID LOT 33, AND THE NORTHWEST 8-4 CORNER OF SAID TRACT ONE;

THENCE, N 87° 36' 04" E, WITH THE SAID SOUTH END OF DASHWOOD STREET, SAME BEING THE NORTH END OF SAID LOTS 33, 34, 35, AND 36, AND THE NORTH END OF SAID TRACT ONE, A DISTANCE OF 493.00 FEET, TO A FOUND "X" CUT IN CONCRETE, FOR THE NORTHWEST CORNER OF LOT 37, OF SAID 8-5 8-6 8-7 8-8 8-9 BLOCK 23, AND THE NORTHWEST CORNER OF THAT CERTAIN TRACT CONVEYED FROM EUGENE R. CRAN TO DEBBIE CRAN, AS RECORDED IN COUNTY CLERK'S FILE NO. N243327, O.P.R.R.P.RC.T., SAME BEING THE NORTHEAST CORNER OF SAID LOT 36, AND THE NORTHEAST CORNER OF SAID TRACT ONE, FROM 8-10 8-11 8-12 WHICH A FOUND 5/8 INCH IRON ROD, AT THE INTERSECTION OF THE SAID 8-13 SOUTH END OF DASHWOOD STREET, WITH THE SAID WEST END OF ATWELL 8-14 STREET. FOR THE NORTHEAST CORNER OF SAID LOT 37, AND THE NORTHEAST CORNER OF THE SAID CRAN TRACT, BEARS, N 87° 36' 04" E, 107.00 FEET; THENCE, S 02° 23' 56" E, WITH THE WEST END OF SAID LOT 37, AND THE 8**-**15 8**-**16 8-17 WEST END OF THE SAID CRAN TRACT, SAME BEING THE EAST END OF SAID LOT 36, AND THE EAST END OF SAID TRACT ONE, A DISTANCE OF 300.00 FEET, TO 8-18 8-19 8-20 8-21 A FOUND 5/8 INCH IRON ROD WITH CAP, IN THE NORTH END OF SAID TRACT TWO, FOR THE SOUTHWEST CORNER OF SAID LOT 37, AND THE SOUTHWEST CORNER OF THE SAID CRAN TRACT, SAME BEING THE SOUTHEAST CORNER OF SAID LOT 36, AND THE SOUTHEAST CORNER OF SAID TRACT ONE, SAME ALSO 8-22 8-23 BEING THE NORTHEAST CORNER OF SAID LOT 56, AND ALSO BEING THE 8-24 NORTHWEST CORNER OF SAID LOT 57; 8-25

8-26 THENCE, N 87° 36' 04" E, WITH THE SOUTH END OF SAID LOT 37, AND THE
8-27 SOUTH END OF THE SAID CRAN TRACT, SAME BEING THE NORTH END OF SAID
8-28 LOT 57, AND THE SAID NORTH END OF TRACT TWO, A DISTANCE OF 107.00
8-29 FEET, TO A POINT IN THE SAID WEST END OF ATWELL STREET, FOR THE
8-30 SOUTHEAST CORNER OF SAID LOT 37, AND THE SOUTHEAST CORNER OF THE
8-31 SAID CRAN TRACT, SAME BEING THE NORTHEAST CORNER OF SAID LOT 57, AND
8-32 THE NORTHEAST CORNER OF SAID TRACT TWO, FROM WHICH A FOUND 5/8 INCH
8-33 IRON ROD WITH CAP, BEARS. S 02° 23' 56" E, 1.09 FEET;

8-33 IRON ROD WITH CAP, BEARS. S 02° 23' 56" E, 1.09 FEET;
8-34 THENCE, S 02° 23' 56" E, WITH THE SAID WEST END OF ATWELL STREET,
8-35 SAME BEING THE EAST END OF SAID LOT 57, AND THE EAST END OF SAID
8-36 TRACT TWO, A DISTANCE OF 270.00 FEET, TO THE POINT OF BEGINNING AND
8-37 CONTAINING 7.1117 ACRES (309,787 SQUARE FEET) OF LAND MORE OR LESS.

8-38 SECTION 3. (a) The legal notice of the intention to 8-39 introduce this Act, setting forth the general substance of this 8-40 Act, has been published as provided by law, and the notice and a 8-41 copy of this Act have been furnished to all persons, agencies, 8-42 officials, or entities to which they are required to be furnished 8-43 under Section 59, Article XVI, Texas Constitution, and Chapter 313, 8-44 Government Code.

8-45 (b) The governor, one of the required recipients, has 8-46 submitted the notice and Act to the Texas Commission on 8-47 Environmental Quality.

8-48 (c) The Texas Commission on Environmental Quality has filed 8-49 its recommendations relating to this Act with the governor, 8-50 lieutenant governor, and speaker of the house of representatives 8-51 within the required time.

8-52 (d) The general law relating to consent by political 8-53 subdivisions to the creation of districts with conservation, 8-54 reclamation, and road powers and the inclusion of land in those 8-55 districts has been complied with.

8-56 (e) All requirements of the constitution and laws of this
8-57 state and the rules and procedures of the legislature with respect
8-58 to the notice, introduction, and passage of this Act have been
8-59 fulfilled and accomplished.

8-60 SECTION 4. This Act takes effect immediately if it receives 8-61 a vote of two-thirds of all the members elected to each house, as 8-62 provided by Section 39, Article III, Texas Constitution. If this 8-63 Act does not receive the vote necessary for immediate effect, this 8-64 Act takes effect September 1, 2011.

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