By: Creighton S.B. No. 2286

A BILL TO BE ENTITLED

AN ACT

relating to the powers, duties, and governance of the Westwood Magnolia Parkway Improvement District; authorizing assessments.

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

SECTION 1. Section 1(a), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(a) The Westwood Magnolia Parkway [~~Southwest Montgomery County~~] Improvement District is created as a special district in Montgomery County under Section 59, Article XVI, Texas Constitution.

SECTION 2. Section 2, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

Sec. 2. DEFINITIONS. In this Act:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "County" means Montgomery County, Texas.

(4) "District" means the Westwood Magnolia Parkway [~~Southwest Montgomery County~~] Improvement District.

(5) [~~(4)~~] "Planned community" means a planned community of 15,000 or more acres of land originally established under the federal Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4501 et seq.) that is subject to restrictive

covenants containing ad valorem based assessments.

SECTION 3. Sections 3(a) and (b), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, are amended to read as follows:

(a) The creation of the district is essential to accomplish the purposes of Sections [~~Section~~] 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this Act.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in a [~~the southwest~~] portion of Montgomery County.

SECTION 4. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Section 4A to read as follows:

Sec. 4A. DISTRICT TERRITORY. The district's territory includes the following described territory:

Reserves "A" and "D" and Lots 39-92 of Block 1, Lots 55-79 of Block 5, Lot 4 of Block 7, and Lots 12-25 of Block 8 of Westwood One, a subdivision of record in Cabinet B, Sheets 62A-64B, Map Records of Montgomery County, Texas (M.C.M.R.);

Lots 1-48 and 69-81 of Block 1, Lots 1-3 of Block 3, Lots 1-4 of Block 4, Lots 1-4 of Block 5, Lots 1-5 of Block 6, Lots 1-5, 31-35, 38-39, and 65 of Block 7, Lots 1-6 of Block 8, Lots 1-6 of Block 9, Lots 30-57 of Block 10, Lots 13-33 of Block 11, and Lots 1-15 of Block 12 of Westwood Two, a subdivision of record in Cabinet B, Sheets 103A-107A, M.C.M.R.;

Lots 38-85 of Block 1, Lots 38 and 39 of Block 6, Lots 1, 2, 160, and 161 of Block 9, and Lots 1-33 of Block 12 of Westwood Three, a subdivision of record in Cabinet B, Sheets 157A-159A, M.C.M.R.;

Lots 1-18 of Block 1 and Lots 1-10 of Block 9 of Westwood Four, a subdivision of record in Cabinet C, Sheets 25A-25B, M.C.M.R.;

All of Reserves "A", "B", and "C" of Kroger Store No. 389, a subdivision of record under Cabinet V, Sheets 183 and 184, M.C.M.R.;

All of Reserves "A" through "I" of West Village, a subdivision of record in Cabinet Z, Sheets 594-597, M.C.M.R.;

Being all of the following tracts of land described as follows:

TRACT ONE

BEGINNING at the southwest corner of that certain called 2.971 acre tract described as Tract I, in the deed from Hay S. Wong to Karen Lee Thornton, by instrument of record under File Number 2003-148372, in the Official Public Records of Real Property of Montgomery County, Texas (M.C.O.P.R.R.P.), said point being on the north right-of-way line of FM 1488 (width varies);

Thence, Northerly along the west line of said 2.971 acre tract, to the northwest corner of said 2.971 acre tract;

Thence, Easterly along the north line of said 2.971 acre tract, the north line of the 2.926 acre tract described in the deed from Lillian F. Beaman, Trustee to Steven L. Crews, et ux., by instrument of record under File Number 2001-045818, M.C.O.P.R.R.P., the north line of the 0.975 acre tract described in

the deed from Steven L. Crews, et al. to Thai Ocha, Inc., by instrument of record under File Number 2003-128027, M.C.O.P.R.R.P., the north line of the 1.72 acre tract described in the deed from Bow Toy to Daniel P. Morrison, M.D., by instrument of record under Volume 1163, Page 105, in the Deed Records of Montgomery County, Texas, the north line of the 2.897 acre tract described in the deed from Bow Toy, et ux., to Mary Anna Toy, by instrument of record under File Number 9110997, M.C.O.P.R.R.P., the north line of the 1.433 acre tract described as Tract I in the deed from Theresa C. Queng to See Yeut Ming, by instrument of record under File Number 2005-037291, M.C.O.P.R.R.P., the north line of the 0.5730 acre tract described in the deed from David Lee to 1488 Del Sul Investments, by instrument of record under File Number 2005-023510, M.C.O.P.R.R.P., the north line of the 0.5730 acre tract described in the deed from Mary Susan Botkin to 1488 Del Sul Investments, L.P., by instrument of record under File Number 2004-123177, M.C.O.P.R.R.P., the north line of the 0.8626 acre tract described in the deed from Karen Lee Thornton, et al. to 1488 Del Sul Investments, L.P., by instrument of record under File Number 2004-129630, M.C.O.P.R.R.P., the north line of Lot C-3 described in the deed from The Estate of Richard Lee to Karen Lee Thornton, by instrument of record under File Number 99012443, M.C.O.P.R.R.P., the north line of the 1.0 acre tract described in the deed from Michael R. Pugh, et al. to CHBC Inc., by instrument of record under File Number 2001-104753, M.C.O.P.R.R.P., the north line of the 1.00 acre tract described in the deed from Michael R. Pugh, et al. to George D. Cowger, et ux., by instrument of record

under File Number 9755259, M.C.O.P.R.R.P., and the north line of the 0.816 acre tract described in the deed from Michael R. Pugh, et al. to Dewaine Collom, by instrument of record under File Number 9803155, M.C.O.P.R.R.P., to the northeast corner of said 0.816 acre tract, common to the northwest corner of Reserve "C" of Forest West, Section One, a subdivision of record under Cabinet P, Sheets 156-158, Map Records of Montgomery County, Texas (M.C.M.R.);

Thence, Southerly along the west line of said Reserve "C", to the southwest corner of said Reserve "C", to a point on the north right-of-way line of said F.M. 1488;

Thence, Westerly along the north right-of-way line of FM 1488 to the POINT OF BEGINNING.

TRACT TWO

All of the following described lands, BEGINNING at the southeast corner of Reserve "B", of Forest West, Section One, a subdivision of record under Cabinet P, Sheets 156-158, Map Records of Montgomery County, Texas (M.C.M.R.);

Thence, Northerly along the most southerly east line of said Reserve "B" to the most southerly southwest corner of Windcrest Estates, Section One, a subdivision of record under Cabinet H, Sheets 195A-1958, M.C.M.R.;

Thence, Easterly along the south line of said Windcrest Estates, Section One, to the southeast corner of said Windcrest Estates, Section One, said point being on the west right-of-way line of Honea-Egypt Road (width varies) (FM 2978);

Thence, along said west right-of-way line of said Honea-Egypt Road to the intersection of the west right-of-way line of said

Honea-Egypt Road and the north right-of-way line of FM 1488 (width varies);

Thence, Westerly along the north right-of-way line of FM 1488 to the POINT OF BEGINNING.

TRACT THREE

Being a 1.961 acre tract (calculated) being all of that certain called 0.254 acre Restricted Commercial Reserve "A" of Powell Plaza 111, a subdivision of record in Cabinet Z, Sheets 805, Map Records of Montgomery County, Texas (M.C.M.R.), and being a portion of that certain 1.168 (tract 1) and 0.9880 (tract 2) described in the deed dated July 17, 2003, conveyed from Toby Powell and wife, Vanessa Powell to Powell Plaza, L.L.C. by an instrument of record under File Number 2003-088540, M.C.O.P.R.R.P., more particularly described as follows:

BEGINNING at the southeast corner of said 0.9880 acre tract, said point being the southwest corner of the residue of that certain called 0.4848 acre tract conveyed to First Bank of Conroe, N.A. by an instrument of record under File Number 2000-034432, M.C.O.P.R.R.P.;

Thence, along the south line of said 0.9880 acre tract to the southwest corner of said 0.9880 acre tract, said point being on the east line of said 1.168 acre tract;

Thence, along the east line of said 1.168 acre tract to the southeast corner of said 1.168 acre tract;

Thence, along the south line of said 1.168 acre tract to the southwest corner of said 1. i 68 acre tract, said point being on the east line of Reserve "A" of West Village, a subdivision of record in

Cabinet Z, Sheet 594, M.C.M.R.;

Thence, along the west line of said 1.168 acre tract and the east line of said Reserve "A" of said West Village subdivision to the southerly right-of-way line of FM 1488 as described in File Numbers 2005-088763 and 2006-120899, M.C.O.P.R.R.P.;

Thence, along the south right-of-way line of said FM 1488 as described in File Number 2006-120899, M.C.O.P.R.R.P. to a point for corner on the east line of said 0.9880 acre tract and the west line of the aforementioned 0.4848 acre tract;

Thence, along the east line of said 0.9880 acre tract and the west line of said 0.4848 acre tract to the POINT OF BEGINNING of the herein described tract of land.

TRACT FOUR

Being a 11.79 acre tract of land, located in the Dickinson Garrett Survey, A-225, Montgomery County, Texas, being all of Tracts 1 and 2 of FOREST WEST (an unrecorded subdivision), more particularly being and all of that certain called 7.998 acre tract (described as all of Tract 2 and a portion of Tract 1 of said FOREST WEST) conveyed from Magnolia Circle properties, LTD. to HEB Grocery Company, LP by an instrument of record under Document Number 2015009422, of the Official Public Records of Real Property of Montgomery County, Texas (M.C.O.P.R.) and a portion of that certain called 6.164 acre tract (described as a portion of Tract 1 of said FOREST WEST) conveyed from First American Residential, L.L.C to HEB Grocery Company, LP by an instrument of record under Document Number 2015000626, M.C.O.P.R., more particularly described by metes and bounds as follows (Bearings based on Texas Coordinate

System, Central Zone, NAD83, 1993 Adjustment):

COMMENCING at the north end of the northwest right-of-way cutback corner at the intersection of Farm To Market 1488 (FM 1488) (150' wide), as described under Volume 381, Page 489-491, of the Deed Records of Montgomery County, Texas and File Number 2007-090725, of the Official Public Records of Real Property of Montgomery County, Texas, and Magnolia Circle (60' wide), said point being the northerly southeast corner of said 6.164 acre tract;

Thence, North 03° 19' 15" West, along the east line of said 6.164 acre tract, common to the west line of said Magnolia Circle Drive, 179.89 feet to the southeast corner and POINT OF BEGINNING of the herein described tract, said point being the common east corner of said Tract 1 and Tract "A" of the aforesaid FOREST WEST;

Thence, South 89° 48' 46" West, departing the east line of said 6.164 acre tract and along the common line of said Tract "A" and Tract 1, 519.00 feet to an angle point on the west line of said 6.164 acre tract, said point being the common west corner of said Tract "A" and Tract 1, said point being the southwest corner of the herein described tract;

Thence, North 03° 19' 15" West, along the west line of said 6.164 acre tract, common to the west line of aforesaid Tract 1, at 304.51 feet pass the common west corner of said 6.164 acre tract and the aforesaid 7.998 acre tract, continuing along the west line of said 7.998 acre tract, at 556.51 feet pass the common west corner of said Tract 1 and the aforesaid Tract 2, continuing along the west line of said 7.998 acre tract, common to the west line of said Tract

2 in all a total distance of 976.81 feet to the northwest corner of the herein described tract, the northwest corner of said 7.998 acre tract, and the common west corner of said Tract 2 and Tract 3 of aforesaid FOREST WEST, said Tract 3 being all of that certain called 15.000 acre tract (described as Tract Two) conveyed from Issa S. Fallaha to Rima Fallaha by an instrument of record under File Number 99097061, M.C.O.P.R.R.P.;

Thence, North 86° 40' 45" East, along the north line of said 7.998 acre tract, the south line of said 15.000 acre tract, and along the common line of said Tract 2 and said Tract 3, 518.20 feet to the northeast corner of the herein described tract, the northeast corner of said 7.998 acre tract, the southeast corner of said 15.000 acre tract, and the common east corner of said Tract 2 and Tract 3, said point being on the west right-of-way line of aforesaid Magnolia Circle;

Thence, South 03° 19' 15" East, along the east line of said 7.998 acre tract, common to the east line of said Tract 2, and said west right-of-way line, at 420.41 feet pass the common east corner of said Tract 1 and Tract 2, continuing along the east line of said 7.998 acre tract, common to said west right-of-way line and the east line of said Tract 1, in all a total distance of 672.30 feet to the common east corner of said 7.998 acre tract and the aforesaid 6.164 acre tract;

Thence, South 03° 19' 29" East, along the east line of said 6.164 acre tract, common to the east line of said Tract 1 and the west right-of-way line of said Magnolia Circle, 332.88 feet to the POINT OF BEGINNING of the herein described tract and containing

11.79 acres of land, more or less.

SECTION 5. Section 5, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

Sec. 5. FINDINGS RELATING TO BOUNDARIES. The boundaries and field notes of the district as described by Section 4A of this Act form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to enter any type of contract for a purpose for which the district is created;

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

(4) legality or operation.

SECTION 6. Section 6(b), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(b) All land and other property in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections [~~Section~~] 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this Act.

SECTION 7. Section 9, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

Sec. 9. BOARD OF DIRECTORS. (a) Except as provided by this section [~~Section 14 of this Act~~], the district is governed by a board of five [~~11~~] directors who serve staggered terms of four years with two or three directors' terms expiring on June 1 of each odd-numbered year.

(b) [~~Except as provided by Section 14 of this Act, six directors are elected by the voters of the district at large.~~] Five directors are appointed as follows from persons recommended by the board:

(1) two directors appointed by the county commissioner of County Commissioners Precinct No. 2 [~~one director appointed by the governing body of the City of Magnolia~~];

(2) [~~one director appointed by the governing body of the City of Stagecoach;~~

[~~(3)~~] one director appointed by the governing body of the City of Conroe;

(3) [~~(4)~~] one director appointed by the governing body of the Magnolia Independent School District; and

(4) [~~(5)~~] one director appointed by the county commissioners court [~~Montgomery County Commissioners Court~~].

(c) The board by resolution may change the number of directors on the board if:

(1) the county commissioners court consents to the change in the number of directors;

(2) the board determines that the change is in the best interest of the district; and

(3) the board designates in the resolution a governing body of a political subdivision of this state to appoint from persons recommended by the board the director for a new director position established under this subsection.

(d) The board may not consist of fewer than five or more than nine directors.

(e) To be eligible to serve as a director, a person must be at least 18 years old[~~, a resident of the district,~~] and:

(1) an owner of real property in the district;

(2) an owner, whether beneficial or otherwise, of at least 10 percent of the outstanding stock of a corporate owner of real property in the district or of a corporate lessee of real property in the district with a lease term of five years or more measured from the date of appointment or election, excluding options;

(3) an owner of at least 10 percent of the beneficial interest in a trust that:

(A) owns real property in the district; or

(B) leases real property in the district under an original lease term of five years or more measured from the date of appointment or election, excluding options;

(4) a lessee of real property in the district under an original lease term of five years or more, excluding options;

(5) an owner of at least 10 percent of the outstanding interest in a general or limited partnership that:

(A) owns real property in the district; or

(B) leases real property in the district under an original lease term of five years or more measured from the date of appointment or election, excluding options; or

(6) an agent, employee, officer, or director of any individual, corporation, trust, or partnership that owns or leases real property described by Subdivision (1), (2), (3), (4), or (5) of this subsection who is designated by the owner or lessee to serve as

a director.

(f) [~~(d)~~] A person may not be appointed as a director under Subsection (b) of this section if:

(1) the appointment would cause more than two [~~three~~] members of the board to be an agent, employee, officer, or director of the same individual, corporation, trust, or partnership that owns or leases property in the district; or

(2) the proposed director serves on the board of directors of a nonprofit organization, such as a homeowners association or chamber of commerce, that serves any purpose similar to those of the district, including economic development, and serves a geographic territory that encompasses any part of the district.

SECTION 8. Section 10(a), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(a) A vacancy in an appointed position is filled for the remainder of the unexpired term by the appointment of a person recommended by the board made by the entity that made the original appointment. [~~A vacancy in an elected position is filled by the remaining members of the board for the unexpired term.~~]

SECTION 9. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Sections 11A and 11B to read as follows:

Sec. 11A. QUORUM. For purposes of determining a quorum of the board, the following are not counted:

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

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 11B. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

SECTION 10. Section 13, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

Sec. 13. REMOVAL OF DIRECTOR. On petition of at least two-thirds of the remaining directors, a governing body or person that appointed a director to the [~~The~~] board, after notice and hearing, may remove the [~~a~~] director for:

(1) misconduct;

(2) [~~or~~] failure to carry out the director's duties; or

(3) failure to attend three consecutive meetings [~~by vote of not less than 75 percent of the remaining directors~~].

SECTION 11. Section 18(b), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(b) A project authorized under this section may include:

(1) landscaping, lighting, banners, signs, streets or sidewalks, hike and bike paths and trails, pedestrian walkways, skywalks, crosswalks or tunnels, and highway right-of-way or transit corridor beautification and improvements;

(2) drainage or storm water detention improvements and solid waste, water, sewer, telecommunications infrastructure, or power facilities and services, including electrical, gas, steam,

and chilled water facilities;

(3) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves, fountains, plazas, and pedestrian malls, public art and sculpture and related exhibits and facilities, and educational and cultural exhibits and facilities;

(4) conferences, conventions, or exhibitions, manufacturer, consumer, or trade shows, civic, community, or institutional events, exhibits, displays, attractions and facilities for special events, holidays, and seasonal or cultural celebrations;

(5) off-street parking facilities, bus terminals, heliports, mass-transit, and roadway-borne or water-borne transportation and people-mover systems; and

(6) any other public improvements, facilities, or services authorized under this Act or Chapter 375, Local Government Code [~~similar to the projects described in this subsection~~].

SECTION 12. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Sections 19A, 19B, 19C, 19D, and 19E to read as follows:

Sec. 19A. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property within such zones.

Sec. 19B. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

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

Sec. 19D. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this Act unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) of this section must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 19E. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this Act in all or any part of the district.

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

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

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

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

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

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

(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 the manner required for additional assessments.

SECTION 13. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Sections 23A, 23B, 23C, 23D, and 23E to read as follows:

Sec. 23A. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project that may be undertaken in accordance with that chapter.

Sec. 23B. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this Act.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this Act.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 23C. AGREEMENTS; GRANTS. (a) As provided in Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

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

Sec. 23D. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 23E. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

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

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

SECTION 14. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Section 25A to read as follows:

Sec. 25A. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

SECTION 15. Section 26(c), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(c) The district may adopt, reduce, or repeal the limited sales and use tax authorized by this section at an election in which a majority of the voters of the district voting in the election approve the adoption or the abolition of the tax, as applicable. The board may set the tax at any rate of up to two percent in increments of one-eighth of one percent except that the tax may not

be imposed at a rate that would cause the combined tax rate of all local sales and use taxes in any location in the district to exceed two percent. If as a result of the imposition or increase in a sales and use tax by the district in an area in which there is located all or part of a political subdivision that has adopted a sales and use tax or as a result of the annexation by the district of all or part of the territory in a political subdivision that has adopted a sales and use tax the overlapping local sales and use taxes in the area will exceed a total of two percent, the district's sales and use tax is automatically reduced in that area to a rate that when added to the combined rate of local sales and use taxes will equal two percent.

SECTION 16. Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Section 27A to read as follows:

Sec. 27A. AUTHORITY TO BORROW MONEY. The district may borrow money on terms as determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

SECTION 17. Section 28(c), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(c) To pay for any district purpose authorized by law, and in [~~In~~] addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of any source of money for the district, including:

(1) sales and use taxes;

(2) assessments;

(3) impact fees;

(4) revenue;

(5) contract payments; or

(6) grants [~~the net proceeds the district receives from a specified portion of the sales and use tax authorized by this Act~~].

SECTION 18. REPEAL. The following provisions of Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, are repealed:

(1) Section 4;

(2) Section 10(b);

(3) Section 11;

(4) Section 15;

(5) Section 16;

(6) Section 19; and

(7) Section 23.

SECTION 19. (a) An elected or appointed director of the Westwood Magnolia Parkway Improvement District's board of directors who is serving on September 1, 2017, continues to serve until the expiration of the director's term. If the position of a director who is serving on that date subsequently becomes vacant before the expiration of the director's term, the vacancy shall be filled in the same manner as Section 10, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, provided immediately before September 1, 2017.

(b) On the expiration of the terms of the directors who are continuing to serve on September 1, 2017, as described by Subsection (a) of this section, the county commissioner serving for County Commissioners Precinct No. 2 for the Montgomery County Commissioners Court shall appoint two members in the manner provided by Section 9, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as amended by this Act.

(c) This section expires January 2, 2025.

SECTION 20. (a) The legislature validates and confirms all acts and proceedings of the board of directors of the Westwood Magnolia Parkway Improvement District that were taken before the effective date of this Act.

(b) Subsection (a) of this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(2) has been held invalid by a final judgment of a court.

SECTION 21. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has

submitted the notice and Act to the Texas Commission on Environmental Quality.

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

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 22. This Act takes effect September 1, 2017.