

A NONSUBSTANTIVE REVISION  
OF LOCAL LAWS RELATING TO  
SPECIAL DISTRICTS

Submitted to the 79th Legislature  
as part of the  
Texas Legislative Council's  
Statutory Revision Program

Austin, Texas

2005

## FOREWORD

The Texas Legislative Council is required by Section 323.007, Government Code, to carry out a complete nonsubstantive revision of the Texas statutes. The process involves reclassifying and rearranging the statutes in a more logical order, eliminating repealed, invalid, duplicative, and other ineffective provisions while employing a format and numbering system that will accommodate future expansion of the law, and improving the draftsmanship of the statutes as practicable. The revision is intended to further the legislature's stated purpose of making the statutes "more accessible, understandable, and usable" without altering the sense, meaning, or effect of the law.

Under the new classification scheme adopted by the Texas Legislative Council, the statutes will eventually consist of 27 codes, each governing a different subject matter. To date, the council has produced and the legislature has enacted the Agriculture Code, Alcoholic Beverage Code, Business & Commerce Code, Civil Practice and Remedies Code, Education Code, Election Code (a substantive revision), Finance Code, Government Code, Health and Safety Code, Human Resources Code, Insurance Code, Labor Code, Local Government Code, Natural Resources Code, Occupations Code, Parks and Wildlife Code, Property Code, Tax Code (Title 1 of which was a substantive revision), Transportation Code, Utilities Code, and Water Code. The 78th Legislature, Regular Session, 2003, enacted a Special District Local Laws Code of which the following revised laws form a part. The council's staff also assisted the state bar in the Business Organizations Code, Penal Code, and Family Code projects, which were substantive revisions, and revised miscellaneous criminal procedure provisions as Title 2 of the Code of Criminal Procedure.

The revised local laws governing special districts included in this revision are placed into the Special District Local Laws Code enacted by the 78th Legislature, Regular Session, 2003, according to the structure established by that enactment. The Special District Local Laws Code is divided into titles by broad subject matter, subtitles by type of special district, chapters governing individual districts, subchapters for organization, and sections for distinct provisions of law. Sections are numbered decimally, with the number to the left of the decimal the same as the number of the chapter in which the section is contained. Because the code concerns a great number of individual special districts, the code is organized to provide a unique chapter number for each district whose governing laws have been revised. Gaps have been left in chapter and section numbering to accommodate later expansions of the law.

This revisor's report reflects the enactment of Chapter 729, Acts of the 79th Legislature, Regular Session, 2005, the Texas Legislative Council staff's revision of local laws governing various kinds of special districts in this state. The revisor's report states the Revised Law, which is the text of the new law, and then provides the Source Law, which is the text of the former law from which the new law was derived. If further explanation of either the revised law or the source law is required, a Revisor's Note is included after the source law. All substance of the source

law is revised in the revised law or the reason for its omission is explained in a revisor's note.

Note that this revision will not take effect until April 1, 2007, to provide all affected persons a complete legislative cycle to review the revision more closely.

Because of the extensive reorganization of many statutes, and even provisions within a statute, it may be helpful to refer to the source law for a given chapter as a whole, so that it may be read in its former context, and to refer to the disposition table, which shows where the former statutes, as revised, appear in this code. The disposition table is printed as Appendix C to the revisor's report.

The revision required conforming amendments to several statutes. These amendments, also enacted into law by Chapter 729, Acts of the 79th Legislature, Regular Session, 2005, are printed in Appendix A to the revisor's report. Appendix A also includes a section listing the laws repealed effective April 1, 2007, and a section stating the legislature's intent that the code be a nonsubstantive revision.

In reviewing this revisor's report, the reader should keep in mind that:

(1) Except as otherwise provided, Chapter 311, Government Code (Code Construction Act), applies to the code. That chapter sets out certain principles of statutory construction applicable to new codes and also provides some definitions. The chapter is printed as Appendix B to this report.

(2) The proposed code is written in modern American English. Where possible, the present tense is used, the active voice is used in preference to the passive voice, and the singular is used in preference to the plural.

(3) This is a nonsubstantive revision. The Texas Legislative Council staff's authority does not include improving the substance of the source law. The sole purpose of the revision is to compile all the relevant law, arrange it in a logical fashion, and rewrite it without altering its sense, meaning, or legal effect. If a particular source law statute is ambiguous and the ambiguity cannot be resolved without a potential substantive effect, the ambiguity is preserved.

This revision project is under the direction of Jeffrey J. Thorne, Legislative Counsel, of the Texas Legislative Council's legal division staff. Questions may be directed to Mr. Thorne at P.O. Box 12128, Capitol Station, Austin, Texas 78711-2128, or by telephone at (512) 463-1155.

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18 CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 1001.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of hospital managers of  
23 the district.

24 (2) "District" means the City of Amarillo Hospital  
25 District.

26 (3) "Governing body" means the governing body of the  
27 City of Amarillo.

28 (4) "Manager" means a member of the board. (New.)

29 Revisor's Note

30 The definitions of "board," "district,"  
31 "governing body," and "manager" are added to the  
32 revised law for drafting convenience and to eliminate  
33 frequent, unnecessary repetition of the substance of  
34 the definitions.



1 Revised Law

2 Sec. 1001.002. NATURE OF DISTRICT. (a) The district is:

3 (1) a public entity performing an essential public  
4 function; and

5 (2) a body politic and corporate.

6 (b) The functions of the district are governmental and  
7 public. (Acts 55th Leg., R.S., Ch. 136, Secs. 1 (part), 20 (part).)

8 Source Law

9 Sec. 1. The City of Amarillo, Texas, may be  
10 constituted a Hospital District, . . . . Said  
11 district shall constitute a body politic and  
12 corporate, and its functions are declared to be  
13 governmental and public.

14 Sec. 20. Since the Hospital District is a public  
15 entity performing an essential public  
16 function, . . . .

17 Revisor's Note

18 Section 1, Chapter 136, Acts of the 55th  
19 Legislature, Regular Session, 1957, provides that the  
20 City of Amarillo "may be constituted a Hospital  
21 District." The revised law omits the quoted language  
22 as executed because the district has been created as a  
23 separate entity.

24 Revised Law

25 Sec. 1001.003. DUTY TO NAME DISTRICT. The governing body  
26 shall specify the name of the district. (Acts 55th Leg., R.S., Ch.  
27 136, Sec. 1 (part).)

28 Source Law

29 Sec. 1. . . . The name of the district shall be  
30 specified by the governing body of the City. . . .

31 Revised Law

32 Sec. 1001.004. DISTRICT TERRITORY. The boundaries of the  
33 district are coextensive with the boundaries of the City of  
34 Amarillo unless the district territory is expanded under:

35 (1) Subchapter D; or

36 (2) other law. (Acts 55th Leg., R.S., Ch. 136, Sec. 1  
37 (part).)

1 Source Law

2 Sec. 1. [The City of Amarillo, Texas, may be  
3 constituted a Hospital District,] which district  
4 shall, unless expanded under Section 19 of this Act or  
5 other applicable law, always be coextensive with the  
6 incorporated limits of the City of Amarillo,  
7 Texas, . . . .

8 Revisor's Note  
9 (End of Subchapter)

10 (1) Section B, Chapter 32, Acts of the 56th  
11 Legislature, Regular Session, 1959, provides that the  
12 act is severable. The revised law omits that provision  
13 because it duplicates Section 311.032, Government Code  
14 (Code Construction Act), applicable to the revised  
15 law, which provides that a provision of a statute is  
16 severable from each other provision of the statute  
17 that can be given effect. The omitted law reads:

18 Sec. B. If any provision of this Act  
19 or the application thereof to any person or  
20 circumstances is held invalid, such  
21 invalidity shall not affect other  
22 provisions or applications of the Act which  
23 can be given effect without the invalid  
24 provision or application, and to this end  
25 the provisions of this Act are declared to  
26 be severable.

27 (2) Section C, Chapter 32, Acts of the 56th  
28 Legislature, Regular Session, 1959, validates the  
29 creation of the district and the appointment of the  
30 Board of Hospital Managers. The revised law omits that  
31 provision as executed. The omitted law reads:

32 Sec. C. The creation of said District  
33 by the City Commission of the City of  
34 Amarillo and the appointment of the Board of  
35 Hospital Managers by said Commission are  
36 hereby validated.

37 [Sections 1001.005-1001.050 reserved for expansion]

38 SUBCHAPTER B. DISTRICT ADMINISTRATION

39 Revised Law

40 Sec. 1001.051. BOARD; TERM. (a) The board consists of not  
41 fewer than five and not more than seven managers appointed by the  
42 governing body.

43 (b) Managers serve two-year terms unless four-year elected  
44 terms are established under Section 285.081, Health and Safety

1 Code. The terms may overlap. (Acts 55th Leg., R.S., Ch. 136, Sec.  
2 5, Subsec. a (part).)

3 Source Law

4 Sec. 5. a. The governing body of the City of  
5 Amarillo shall appoint a Board of Hospital Managers,  
6 consisting of not less than five (5) nor more than  
7 seven (7) members, who shall serve for a term of two  
8 (2) years, with overlapping terms if desired, and  
9 . . . .

10 Revisor's Note

11 (1) Subsection a, Section 5, Chapter 136, Acts  
12 of the 55th Legislature, Regular Session, 1957, refers  
13 to the initial appointments to the board. The revised  
14 law omits the provision as executed. The omitted law  
15 reads:

16 a. . . . with initial appointment to  
17 terms of office arranged accordingly,  
18 . . . .

19 (2) Subsection a, Section 5, Chapter 136, Acts  
20 of the 55th Legislature, Regular Session, 1957,  
21 provides that members of the Board of Hospital  
22 Managers serve for two years. Section 285.081, Health  
23 and Safety Code, applicable to all hospital districts,  
24 provides a mechanism by which the governing board of a  
25 hospital district, on its own motion, may order that  
26 the members are to be elected in even-numbered years to  
27 serve staggered four-year terms. The revised law is  
28 drafted accordingly and adds a reference to Section  
29 285.081 for the convenience of the reader.

30 Revised Law

31 Sec. 1001.052. MANAGER REMOVAL. By majority vote, the  
32 governing body may remove a manager with or without cause. (Acts  
33 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

34 Source Law

35 a. . . . The governing body of the City of  
36 Amarillo may, by majority vote, remove any member of  
37 the Board of Hospital Managers with or without  
38 cause. . . .

1 Revised Law

2 Sec. 1001.053. OFFICERS. (a) The board shall select from  
3 among the managers a presiding officer.

4 (b) The presiding officer shall preside over the board. A  
5 presiding officer pro tem shall preside in the absence of the  
6 presiding officer.

7 (c) The district administrator or any manager may be  
8 appointed secretary. (Acts 55th Leg., R.S., Ch. 136, Sec. 5,  
9 Subsec. e (part).)

10 Source Law

11 e. . . . From among its members the Board shall  
12 choose a Chairman, who shall preside; or in his absence  
13 a Chairman pro tem shall preside; and the  
14 Administrator or any member of the Board may be  
15 appointed secretary. . . .

16 Revised Law

17 Sec. 1001.054. COMPENSATION. A manager serves without  
18 pay. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

19 Source Law

20 a. [. . . members, who shall serve . . .]  
21 without pay, and . . . .

22 Revised Law

23 Sec. 1001.055. RECORDS OF PROCEEDINGS. (a) The secretary  
24 shall keep suitable records of all proceedings of each board  
25 meeting.

26 (b) After each meeting:

27 (1) the presiding officer or the presiding officer pro  
28 tem shall read and sign the record; and

29 (2) the secretary shall attest the record. (Acts 55th  
30 Leg., R.S., Ch. 136, Sec. 5, Subsec. e (part).)

31 Source Law

32 e. . . . The Board shall require the secretary  
33 to keep suitable records of all proceedings of each  
34 meeting of the Board. Such record shall be read and  
35 signed after each meeting by the Chairman or the member  
36 presiding, and attested by the secretary. . . .

37 Revisor's Note

38 Subsection e, Section 5, Chapter 136, Acts of the  
39 55th Legislature, Regular Session, 1957, refers to

1 "the member presiding." The revised law substitutes  
2 "the presiding officer pro tem" for the quoted  
3 language to conform to the terminology used in Section  
4 1001.053.

5 Revised Law

6 Sec. 1001.056. DISTRICT ADMINISTRATOR. (a) The board  
7 shall:

8 (1) appoint a person qualified by training and  
9 experience as district administrator; and

10 (2) determine the administrator's compensation.

11 (b) The board may remove the district administrator at any  
12 time.

13 (c) Before assuming the duties of district administrator,  
14 the administrator must execute a bond payable to the district in an  
15 amount of not less than \$10,000 that:

16 (1) is conditioned on the administrator performing  
17 well and faithfully the administrator's required duties; and

18 (2) contains other conditions the board may require.

19 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. b (part).)

20 Source Law

21 b. The Board shall appoint a general manager, to  
22 be known as the Administrator of the Hospital  
23 District. The Administrator shall receive such  
24 compensation as may be fixed by the Board. The  
25 Administrator shall be subject to removal at any time  
26 by the Board. The Administrator shall, before  
27 entering into the discharge of his duties, execute a  
28 bond payable to the District, in the amount of not less  
29 than Ten Thousand Dollars (\$10,000), conditioned that  
30 he shall well and faithfully perform the duties  
31 required of him, and containing such other conditions  
32 as the Board may require. . . . He shall be a person  
33 qualified by training and experience for the position  
34 of Administrator.

35 Revised Law

36 Sec. 1001.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
37 Subject to the limitations prescribed by the board, the district  
38 administrator shall:

39 (1) perform the duties required by the board;

40 (2) supervise the work and activities of the district;

41 and

1 (3) direct the affairs of the district. (Acts 55th  
2 Leg., R.S., Ch. 136, Sec. 5, Subsec. b (part).)

3 Source Law

4 b. . . . The Administrator shall perform all  
5 duties which may be required of him by the Board, and  
6 shall supervise all of the work and activities of the  
7 district, and have general direction of the affairs of  
8 the district, within such limitations as may be  
9 prescribed by the Board. . . .

10 Revised Law

11 Sec. 1001.058. ASSISTANT ADMINISTRATOR. (a) The board  
12 may designate an assistant administrator to discharge a duty or  
13 function of the district administrator in the event of the  
14 administrator's incapacity, absence, or inability to discharge the  
15 duty or function.

16 (b) The assistant administrator shall post the bond  
17 required by board order.

18 (c) The assistant administrator is subject to the  
19 limitations prescribed by board order. (Acts 55th Leg., R.S., Ch.  
20 136, Sec. 7.)

21 Source Law

22 Sec. 7. In the event of incapacity, absence or  
23 inability of the Administrator to discharge any of the  
24 duties required of him, the Board may designate an  
25 assistant to the Administrator to discharge any duties  
26 or functions required of the Administrator. Such  
27 assistant or other person shall give such bond and have  
28 such limitations upon his authority as may be fixed by  
29 the order of the Board.

30 Revised Law

31 Sec. 1001.059. LEGAL COUNSEL. (a) The attorneys who  
32 represent the City of Amarillo in civil matters may represent the  
33 board in all legal matters.

34 (b) The district shall contribute sufficient money to the  
35 City of Amarillo's account designated for the attorneys of the city  
36 to pay all additional salaries and expenses incurred by the  
37 attorneys in performing the duties required by the district.

38 (c) The board may employ legal counsel selected by the board  
39 if the board considers the employment advisable. (Acts 55th Leg.,  
40 R.S., Ch. 136, Sec. 12.)

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Source Law

Sec. 12. The Board of Hospital Managers may be represented in all legal matters by the attorneys charged with representing the City of Amarillo in civil matters, and in such event the District shall contribute sufficient funds to the general fund of the City of Amarillo for the account of the budget of such attorneys to pay all additional salaries and expenses incurred by such attorneys in performing the duties required of them by the district; provided, however, that the Board may in its discretion employ legal counsel of its own selection if it deems the action advisable.

Revised Law

Sec. 1001.060. EMPLOYEES. (a) The board may employ doctors, nurses, technicians, and other employees considered advisable for the efficient operation of the hospital or hospital system.

(b) The board may delegate to the district administrator the authority to hire district employees. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. c.)

Source Law

c. The Board of Managers shall have the authority to employ such doctors, technicians, nurses and other employees of every kind and character as may be deemed advisable for the efficient operation of the hospital or hospital system. The Board of Managers may delegate to the Administrator the authority to employ persons for the Hospital District.

Revised Law

Sec. 1001.061. PHYSICIAN QUALIFICATION. The board may use district money to ensure the initial and continued qualification of physicians and other personnel. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. i.)

Source Law

i. The Board of Managers may use Hospital District funds to ensure the qualification and continued qualification of physicians and other personnel.

Revised Law

Sec. 1001.062. HEALTH CARE EDUCATIONAL PROGRAMS. (a) The board may spend district money, enter into an agreement, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for:

- (1) the public; or

1 (2) current or potential medical staff members or  
2 district employees.

3 (b) The board may contract with West Texas A&M University or  
4 another educational institution for:

5 (1) the coordination of educational programs in  
6 recognized health care professions, including pharmacy, nursing,  
7 and allied health professions, to be conducted by each; and

8 (2) cooperative funding of the educational programs.

9 (c) The district may provide services, money, or equipment  
10 and may make district facilities available to West Texas A&M  
11 University or another educational institution for clinical  
12 instruction, research, or degree programs. (Acts 55th Leg., R.S.,  
13 Ch. 136, Sec. 5, Subsec. h; Sec. 5a.)

14 Source Law

15 [Sec. 5]

16 h. The Board of Managers may use Hospital  
17 District funds, enter into agreements, and take other  
18 necessary action to conduct, participate in, or assist  
19 health care education programs for the public and for  
20 current or potential medical staff members or  
21 employees.

22 Sec. 5a. The Board of Managers is authorized to  
23 contract with West Texas State University or another  
24 educational institution for the coordination of  
25 educational programs in recognized health care  
26 professions, including pharmacy, nursing, and allied  
27 health professions, to be conducted by each and for  
28 cooperative funding of the expense of an instructional  
29 program in those programs. The Hospital District may  
30 provide services, funds, or equipment and may make its  
31 facilities available to West Texas State University or  
32 other educational institutions for clinical  
33 instruction, research, or programs that grant degrees.

34 Revisor's Note

35 Section 5a, Chapter 136, Acts of the 55th  
36 Legislature, Regular Session, 1957, refers to "West  
37 Texas State University." In 1993, the name of that  
38 university was changed to "West Texas A&M University."  
39 The revised law reflects that change.

40 Revised Law

41 Sec. 1001.063. RETIREMENT PROGRAM. The board may  
42 establish or continue a retirement program for the benefit of the  
43 district's employees or contract with this state or the federal



1 government for that purpose. (Acts 55th Leg., R.S., Ch. 136, Sec.  
2 5, Subsec. d (part).)

3 Source Law

4 d. . . . Further, the Board of Managers may  
5 establish or continue a retirement program for the  
6 benefit of its employees and may contract with the  
7 State or Federal Government for that purpose.

8 Revised Law

9 Sec. 1001.064. LIABILITY INSURANCE. The board may  
10 purchase insurance to protect the managers from any liability that  
11 results from service on the board. (Acts 55th Leg., R.S., Ch. 136,  
12 Sec. 5, Subsec. f.)

13 Source Law

14 f. The Board of Managers may purchase insurance  
15 to protect the members of the Board from any liability  
16 that arises from serving on the Board.

17 Revised Law

18 Sec. 1001.065. SEAL. The board may use a seal engraved  
19 with the district's name to authenticate the acts of the board. The  
20 secretary of the board shall keep the seal. (Acts 55th Leg., R.S.,  
21 Ch. 136, Sec. 5, Subsec. e (part).)

22 Source Law

23 e. . . . The Board may have a seal, on which  
24 shall be engraved the name of the Hospital District;  
25 and any seal shall be kept by the secretary and may be  
26 used in authentication of acts of the Board.

27 Revisor's Note  
28 (End of Subchapter)

29 Subsection e, Section 5, Chapter 136, Acts of the  
30 55th Legislature, Regular Session, 1957, provides that  
31 a majority of the members of the board constitutes a  
32 quorum for the transaction of business. The revised  
33 law omits this provision because it duplicates general  
34 law. Section 311.013, Government Code (Code  
35 Construction Act), applicable to the revised law,  
36 provides that a majority of a board or commission  
37 constitutes a quorum. The revised law also omits the  
38 phrase "for the transaction of any business" as  
39 unnecessary because "quorum" means the number of

1 persons or votes necessary for a body to act. The  
2 omitted law reads:

3 e. A majority of the Board of  
4 Hospital Managers shall constitute a quorum  
5 for the transaction of any business. . . .

6 [Sections 1001.066-1001.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Revised Law

9 Sec. 1001.101. DISTRICT RESPONSIBILITY. The district has  
10 full responsibility for providing medical and hospital care for the  
11 district's needy and indigent residents. (Acts 55th Leg., R.S.,  
12 Ch. 136, Sec. 13 (part).)

13 Source Law

14 Sec. 13. . . . such Hospital District shall be  
15 deemed to have assumed full responsibility for the  
16 furnishing of medical and hospital care for the needy  
17 and indigent persons residing in said Hospital  
18 District from the date of the formation of said  
19 Hospital District.  
20 . . .

21 Revisor's Note

22 Section 13, Chapter 136, Acts of the 55th  
23 Legislature, Regular Session, 1957, provides that the  
24 district "shall be deemed to have assumed . . . from  
25 the date of the formation of said Hospital District"  
26 full responsibility for providing medical and hospital  
27 care for the district's needy and indigent residents.  
28 The revised law substitutes "has" for the quoted  
29 language because the obligation to assume the  
30 responsibility is executed.

31 Revised Law

32 Sec. 1001.102. RESTRICTION ON MUNICIPAL OR COUNTY TAXATION.  
33 The City of Amarillo or a county may not impose a tax for hospital  
34 purposes on property within the district. (Acts 55th Leg., R.S.,  
35 Ch. 136, Sec. 13 (part).)

36 Source Law

37 Sec. 13. After creation of the Hospital  
38 District authorized by this Act neither the City of  
39 Amarillo nor any county shall levy any tax for hospital  
40 purposes on property within the District; and . . .

1 Revisor's Note

2 Section 13, Chapter 136, Acts of the 55th  
3 Legislature, Regular Session, 1957, provides that  
4 "after creation of the Hospital District," the City of  
5 Amarillo or a county may not levy a tax for hospital  
6 purposes. The revised law omits the reference to the  
7 "creation" of the district as executed. In addition,  
8 the revised law substitutes "impose" for "levy"  
9 because the terms are synonymous and the former is more  
10 commonly used.

11 Revised Law

12 Sec. 1001.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

13 (a) The board shall manage, control, and administer the hospital or  
14 hospital system.

15 (b) The Potter County Commissioners Court may participate  
16 in the operation of the district on terms agreed on by the governing  
17 body acting for the board. (Acts 55th Leg., R.S., Ch. 136, Sec. 5,  
18 Subsec. a (part); Sec. 16 (part).)

19 Source Law

20 Sec. 5. a. [The governing body of the City of  
21 Amarillo shall appoint a Board of Hospital Managers]  
22 . . . whose duties shall be to manage, control and  
23 administer the hospital or hospital system of the  
24 Hospital District. . . .

25 Sec. 16. The Commissioners Court of Potter  
26 County . . . may further participate in the operation  
27 of the Hospital District on such terms as may be  
28 mutually agreed upon by the governing body of the City  
29 of Amarillo, acting on behalf of the Board of Managers  
30 of the Hospital District.

31 Revised Law

32 Sec. 1001.104. HOSPITAL SYSTEM. (a) The district may own  
33 and operate a hospital or hospital system for indigent and needy  
34 persons.

35 (b) The district may provide for the establishment of a  
36 hospital or hospital system to provide medical aid and hospital  
37 care to indigent and needy persons residing in the district. (Acts  
38 55th Leg., R.S., Ch. 136, Sec. 1 (part).)



1 or county, or either of them, for the  
2 building of, or the support and maintenance  
3 of, hospital facilities, prior to the  
4 creation of the said district but  
5 outstanding at the time of the creation of  
6 the district, shall be assumed and  
7 discharged by it without prejudice to the  
8 rights of third parties, provided that the  
9 management and control of the property and  
10 affairs of the present hospital system  
11 shall continue in the Board of Managers of  
12 such system until appointment and  
13 organization of the Board of Managers of the  
14 Hospital District, at which time the Board  
15 of Managers of the present hospital system  
16 shall turn over all records, property and  
17 affairs of said hospital system to the Board  
18 of Managers of the Hospital District and  
19 shall cease to exist as a hospital system  
20 Board of Managers.

21 b. Any lands, buildings or equipment  
22 that may be owned by the County of Potter  
23 which are held for medical or hospital  
24 purposes may be transferred to the District  
25 by lease or conveyance from the County  
26 authorized by the Commissioners Court.

27 c. Any outstanding bonded  
28 indebtedness incurred by the City of  
29 Amarillo or the County of Potter, either or  
30 both of them, in the acquisition of such  
31 lands, buildings and equipment, or in the  
32 construction and equipping of such hospital  
33 facilities, together with any other  
34 outstanding bonds issued by either of them  
35 for hospital purposes, and the proceeds of  
36 which are in whole or in part still unspent,  
37 shall be assumed by the Hospital District  
38 and become the obligation of the Hospital  
39 District; and the City of Amarillo or the  
40 County of Potter, either or both of them,  
41 that issued such bonds, shall be by the  
42 Hospital District relieved of any further  
43 liability for the payment thereof, or for  
44 providing interest and sinking fund  
45 requirements thereon; . . . .

46 d. The Commissioners Court of Potter  
47 County and the governing body of the City of  
48 Amarillo, where a hospital or hospital  
49 system is jointly operated, or the  
50 Commissioners Court, where the county owns  
51 the hospital or hospital system, as the case  
52 may be, as soon as the Hospital District is  
53 created and authorized at the election  
54 hereinabove provided, and there have been  
55 appointed and qualified the Board of  
56 Hospital Managers hereinafter provided for,  
57 shall execute and deliver to the Hospital  
58 District, to-wit: to its said Board of  
59 Hospital Managers, an instrument in writing  
60 conveying to said Hospital District the  
61 hospital property, including lands,  
62 buildings and equipment; and shall transfer  
63 to said Hospital District the funds  
64 hereinabove provided to become vested in  
65 the Hospital District, upon being furnished  
66 the certificate of the Chairman of the Board  
67 to the fact that a depository for the  
68 district's funds has been selected and has  
69 qualified; which funds shall, in the hands

1 of the Hospital District and of its Board of  
2 Hospital Managers, be used for all or any of  
3 the same purposes as, and for no other  
4 purposes than, the purposes for which the  
5 County of Potter or the City of Amarillo  
6 transferring such funds could lawfully have  
7 used the same had they remained the property  
8 and funds of such county or city.

9 (2) Subsection c, Section 4, Chapter 136, Acts  
10 of the 55th Legislature, Regular Session, 1957,  
11 provides that the transfer of facilities and money to  
12 the hospital district by Potter County or the City of  
13 Amarillo does not affect the rights of bond holders.  
14 The revised law omits the provision as unnecessary  
15 because Section 16, Article I, Texas Constitution,  
16 prohibits any law that impairs the obligations of a  
17 contract. The omitted law reads:

18 c. . . . provided that nothing herein  
19 contained shall limit or affect any of the  
20 rights of any of the holders of such bonds  
21 against the city or the county, as the case  
22 may be, in the event of default in the  
23 payment of the principal or interest on any  
24 of such bonds in accordance with their  
25 respective terms.

26 Revised Law

27 Sec. 1001.105. RULES. The board may adopt rules for the  
28 operation of the hospital or hospital system. (Acts 55th Leg.,  
29 R.S., Ch. 136, Sec. 5, Subsec. a (part).)

30 Source Law

31 a. . . . The Board is authorized to promulgate  
32 rules and regulations for the operation of the  
33 hospital or hospital system.

34 Revisor's Note

35 Subsection a, Section 5, Chapter 136, Acts of the  
36 55th Legislature, Regular Session, 1957, refers to  
37 "rules and regulations." The revised law omits the  
38 reference to "regulations" because under Section  
39 311.005(5), Government Code (Code Construction Act), a  
40 rule is defined to include a regulation. That  
41 definition applies to the revised law.

42 Revised Law

43 Sec. 1001.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)

1 The governing body may prescribe:

2 (1) the method and manner of making purchases and  
3 expenditures by and for the district; and

4 (2) all accounting and control procedures.

5 (b) The governing body by resolution or order may delegate  
6 to the board a power described by Subsection (a).

7 (c) The district shall pay the salaries and expenses  
8 necessarily incurred by the City of Amarillo or by an officer or  
9 agent of the City of Amarillo in performing a duty prescribed or  
10 required by this section.

11 (d) An officer, employee, or agent of the City of Amarillo  
12 shall perform any function or service prescribed by the governing  
13 body under this chapter. (Acts 55th Leg., R.S., Ch. 136, Sec. 6.)

14 Source Law

15 Sec. 6. The governing body of the City of  
16 Amarillo shall have the power to prescribe the method  
17 and manner of making purchases and expenditures by and  
18 for such Hospital District, and also shall be  
19 authorized to prescribe all accounting and control  
20 procedures, or may delegate any or all such powers to  
21 the Board of Managers of such district by the adoption  
22 of an appropriate resolution or order to that effect.  
23 The Hospital District shall pay all salaries and  
24 expenses necessarily incurred by the city or any of its  
25 officers and agents in performing any duties which may  
26 be prescribed or required under this Section. It shall  
27 be the duty of any officer, employee or agent of such  
28 city to perform and carry out any function or service  
29 prescribed by the governing body of the city  
30 hereunder.

31 Revised Law

32 Sec. 1001.107. ELIGIBILITY STANDARDS; PRICING. (a) Not  
33 later than the first day of each fiscal year, the board shall adopt  
34 requirements for the district to use in determining whether a  
35 person is eligible for hospital, medical, or health care assistance  
36 from the district.

37 (b) The board shall determine the price charged for district  
38 services and products and for the use of district facilities.

39 (c) The board may use the pricing methods the board  
40 considers advisable, including discount and per diem pricing.

41 (d) The board shall adopt an application procedure  
42 specifying the documentation required to support an application for

1 assistance. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. g; Sec.  
2 13A.)

3 Source Law

4 [Sec. 5]

5 g. The Board of Managers shall determine the  
6 eligibility standards for Hospital District  
7 assistance and the consideration to be received for  
8 its services, products, and the use of its facilities  
9 and may use the pricing methods it considers  
10 advisable, including discount and per diem pricing.

11 Sec. 13A. Not later than the first day of each  
12 fiscal year, the Board of Managers shall adopt  
13 requirements to be used by the Hospital District in  
14 determining if a person is eligible for hospital,  
15 medical, or health care assistance from the District.  
16 The Board shall adopt an application procedure that  
17 specifies the documentation required in support of the  
18 application for assistance.

19 Revised Law

20 Sec. 1001.108. DISTRICT PROPERTY, FACILITIES, AND  
21 EQUIPMENT. (a) The district may purchase or lease land inside or  
22 outside the district as required for district purposes.

23 (b) Subject to Subsection (c), the district may sell or  
24 lease land owned by the district at public or private sale.

25 (c) The district may not sell or lease real property until  
26 the governing body determines that:

27 (1) the property is no longer required for district  
28 purposes; or

29 (2) the grantee or lessee will use the property for  
30 hospital purposes or for purposes incidental and necessary to  
31 hospital purposes. (Acts 55th Leg., R.S., Ch. 136, Sec. 9, Subsec.  
32 b.)

33 Source Law

34 b. The Hospital District shall have the power to  
35 take by purchase or lease lands within or without the  
36 district as may be required for its purpose; and it may  
37 sell or lease any lands owned by it at public or  
38 private sale; provided, however, that no real estate  
39 may be sold or leased until after there has been a  
40 determination by the governing body of the City of  
41 Amarillo that either the lands are no longer required  
42 for the purposes of the district or that the grantee or  
43 lessee will use the property for hospital purposes or  
44 purposes incidental and necessary to hospital  
45 purposes.



1 Revised Law

2 Sec. 1001.109. EMINENT DOMAIN. (a) The district may  
3 exercise the power of eminent domain to acquire a fee simple or  
4 other interest in any type of property, real, personal, or mixed,  
5 located in district territory if the property interest is necessary  
6 or convenient for the district to exercise a right, power,  
7 privilege, or function conferred by this chapter.

8 (b) The district must exercise the power of eminent domain  
9 in the manner provided by Chapter 21, Property Code, except the  
10 district is not required to deposit in the trial court money or a  
11 bond as provided by Section 21.021(a), Property Code.

12 (c) In a condemnation proceeding brought by the district,  
13 the district is not required to:

14 (1) pay in advance or provide bond or other security  
15 for costs in the trial court;

16 (2) provide bond for the issuance of a temporary  
17 restraining order or a temporary injunction; or

18 (3) provide a bond for costs or a supersedeas bond on  
19 an appeal or writ of error. (Acts 55th Leg., R.S., Ch. 136, Sec. 9,  
20 Subsec. a.)

21 Source Law

22 Sec. 9. a. The Hospital District organized in  
23 pursuance of this Act shall have the right and power of  
24 eminent domain for the purpose of acquiring by  
25 condemnation any and all property of any kind or  
26 character, real, personal, or mixed, or any interest  
27 therein, including outright ownership of such property  
28 in fee simple absolute, within the boundaries of the  
29 said district, necessary or convenient to the exercise  
30 of the rights, powers, privileges and functions  
31 conferred upon it by this Act, in the manner provided  
32 by General Law with respect to condemnation; provided  
33 that the said district shall not be required to make  
34 deposits in the registry of the trial court of the sum  
35 required by Paragraph Numbered 2 in Article 3268,  
36 Vernon's Civil Statutes, 1925, or to make the bond  
37 required therein. In condemnation proceedings being  
38 prosecuted by the said district, the district shall  
39 not be required to pay in advance or to give bond or  
40 other security for costs in the trial court, nor to  
41 give any bond otherwise required for the issuance of a  
42 temporary restraining order or a temporary injunction  
43 relating to a condemnation proceeding, nor to give  
44 bond for costs or for supersedeas on any appeal or writ  
45 of error proceeding to any court of civil appeals, or  
46 to the supreme court.

1 Revisor's Note

2 (1) Subsection a, Section 9, Chapter 136, Acts  
3 of the 55th Legislature, Regular Session, 1957,  
4 provides that the district has the "right and power of  
5 eminent domain for the purpose of acquiring by  
6 condemnation [property]." The revised law substitutes  
7 for the quoted language "may exercise the power of  
8 eminent domain to acquire [property]" because the  
9 phrases have the same meaning and the latter phrase is  
10 consistent with modern usage in laws relating to  
11 eminent domain.

12 (2) Subsection a, Section 9, Chapter 136, Acts  
13 of the 55th Legislature, Regular Session, 1957,  
14 provides that the district must exercise the power of  
15 eminent domain in the manner provided by "General Law  
16 with respect to condemnation." The revised law  
17 substitutes for the quoted phrase a reference to  
18 Chapter 21, Property Code, because that is the general  
19 law governing eminent domain.

20 (3) Subsection a, Section 9, Chapter 136, Acts  
21 of the 55th Legislature, Regular Session, 1957, refers  
22 to Paragraph 2, V.A.C.S. Article 3268. That statute  
23 was codified in 1983 as Section 21.021(a), Property  
24 Code. The revised law is drafted accordingly.

25 (4) Subsection a, Section 9, Chapter 136, Acts  
26 of the 55th Legislature, Regular Session, 1957,  
27 provides that the district is not required to provide  
28 bond on any appeal or writ of error proceedings to "any  
29 court of civil appeals, or to the supreme court." The  
30 revised law omits the references to the courts as  
31 unnecessary because those are the only courts to which  
32 the district may appeal or apply for a writ of error.

33 Revised Law

34 Sec. 1001.110. GIFTS AND ENDOWMENTS. (a) The board may

1 accept for the district a gift or endowment to be held in trust or  
2 otherwise and administered by the board for any purpose and under  
3 any direction, limitation, or provision prescribed in writing by  
4 the donor that is not inconsistent with the proper management and  
5 objectives of the district.

6 (b) The board may establish a foundation or nonprofit  
7 corporation for the purposes of this section. (Acts 55th Leg.,  
8 R.S., Ch. 136, Sec. 15.)

9 Source Law

10 Sec. 15. Said Board of Managers of the Hospital  
11 District is authorized on behalf of said Hospital  
12 District to accept donations, gifts, and endowments  
13 for the Hospital District, to be held in trust or  
14 otherwise and administered by the Board of Managers  
15 for such purposes and under such directions,  
16 limitations, and provisions as may be prescribed in  
17 writing by donor, not inconsistent with proper  
18 management and the objectives of the Hospital  
19 District, and may establish foundations or nonprofit  
20 corporations for these purposes.

21 Revisor's Note

22 Section 15, Chapter 136, Acts of the 55th  
23 Legislature, Regular Session, 1957, refers to  
24 "donations" and "gifts." The revised law omits the  
25 reference to "donations" as unnecessary because  
26 "donations" is included within the meaning of "gifts."

27 Revised Law

28 Sec. 1001.111. CONTRACTS FOR SERVICES TO CERTAIN  
29 PERSONS. Subject to the approval of the governing body, the board  
30 may contract with:

31 (1) a county or municipality for the care and  
32 treatment of a sick or injured person of that county or  
33 municipality; and

34 (2) this state or a federal agency for the care and  
35 treatment of a person for whom the state or agency is responsible.  
36 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. d (part).)

37 Source Law

38 d. The Board of Managers, with the approval of  
39 the governing body of the City of Amarillo, shall be  
40 authorized to contract with any county or other  
41 incorporated municipality for care and treatment of

1 such county's or city's sick, diseased and injured  
2 persons, and with the State and agencies of the Federal  
3 Government for the care of and treatment of such  
4 persons for whom the State and such agencies of the  
5 Federal Government are responsible. . . .

6 Revisor's Note

7 Subsection d, Section 5, Chapter 136, Acts of the  
8 55th Legislature, Regular Session, 1957, refers to the  
9 treatment of "sick, diseased and injured" persons.  
10 Throughout this chapter, the revised law omits the  
11 reference to "diseased" as unnecessary because  
12 "diseased" is included within the meaning of "sick."

13 Revised Law

14 Sec. 1001.112. JOINT ADMINISTRATION OR DELIVERY OF HEALTH  
15 CARE SERVICES. To provide joint administration or delivery of  
16 health care services, the district may affiliate with or enter into  
17 an arrangement with:

- 18 (1) a managed care system;  
19 (2) a preferred provider organization;  
20 (3) a health maintenance organization;  
21 (4) a provider of an alternative health care or  
22 delivery system; or  
23 (5) a private hospital. (Acts 55th Leg., R.S., Ch.  
24 136, Sec. 18.)

25 Source Law

26 Sec. 18. The Hospital District may contract  
27 with, affiliate with, or enter into other arrangements  
28 with managed care systems, preferred provider  
29 organizations, health maintenance organizations,  
30 other providers of alternative health care or delivery  
31 systems, or private hospitals to provide joint  
32 administration or delivery of health care services.

33 Revisor's Note

34 Section 18, Chapter 136, Acts of the 55th  
35 Legislature, Regular Session, 1957, refers to the  
36 district's ability to "contract with, affiliate with,  
37 or enter into other arrangements with" certain  
38 entities. The revised law omits the reference to  
39 "contract" as unnecessary because "contract" is  
40 included within the meaning of "arrangement."

1 Revised Law

2 Sec. 1001.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
3 When a patient from Potter County or the district has been admitted  
4 to a district facility, the district administrator shall have an  
5 inquiry made into the circumstances of:

6 (1) the patient; and

7 (2) the patient's relatives who are legally liable for  
8 the patient's support.

9 (b) If the district administrator determines that the  
10 patient or those relatives are liable to pay for all or part of the  
11 costs of the patient's care and treatment, the patient or those  
12 relatives shall be ordered to pay the district a specified amount  
13 for the patient's support.

14 (c) The district administrator may collect the amount from  
15 the patient's estate, or from any relative who is legally liable for  
16 the patient's support, in the manner provided by law for the  
17 collection of expenses of the last illness of a deceased person.

18 (Acts 55th Leg., R.S., Ch. 136, Sec. 14, Subsec. a.)

19 Source Law

20 Sec. 14. a. Whenever a patient has been  
21 admitted to the facilities of the Hospital District  
22 from Potter County or the Hospital District, the  
23 Administrator shall cause inquiry to be made as to his  
24 circumstances, and of the relatives of such patient  
25 legally liable for his support. If it is determined  
26 that such patient or said relatives are liable to pay  
27 for his care and treatment in whole or in part, an  
28 order shall be made directing such patient, or said  
29 relatives, to pay the Hospital District for the  
30 support of such patient a specified sum. The  
31 Administrator shall have power and authority to  
32 collect such sum from the estate of the patient, or his  
33 relatives legally liable for his support, in the  
34 manner provided by law for the collection of expenses  
35 of the last illness of a deceased person.

36 Revised Law

37 Sec. 1001.114. REIMBURSEMENT FOR SERVICES TO  
38 NONRESIDENTS. (a) The board shall require a county, municipality,  
39 or public hospital located outside the boundaries of the district  
40 to reimburse the district for the district's care and treatment of a  
41 sick or injured person of that county, municipality, or hospital,  
42 as provided by Chapter 61, Health and Safety Code.

1 (b) The board shall require the sheriff or police chief of a  
2 county or municipality to reimburse the district for the district's  
3 care and treatment of a person who is confined in a jail facility of  
4 the county or municipality and is not a resident of the district.  
5 (Acts 55th Leg., R.S., Ch. 136, Sec. 17.)

6 Source Law

7 Sec. 17. a. The Board of Managers shall require  
8 reimbursement from a county, municipality, or public  
9 hospital located outside the boundaries of the  
10 district for the district's care and treatment of a  
11 sick, diseased, or injured person of that county,  
12 municipality, or public hospital, as provided by  
13 Chapter 61, Health and Safety Code.

14 b. The Board of Managers shall require  
15 reimbursement from the sheriff or police chief of a  
16 county or municipality for the district's care and  
17 treatment of a person confined in a jail facility of  
18 the county or municipality who is not a resident of the  
19 district.

20 Revisor's Note

21 Subsection b, Section 14, Chapter 136, Acts of  
22 the 55th Legislature, Regular Session, 1957,  
23 prescribes liability for the cost of support, care,  
24 and treatment for an indigent patient admitted to a  
25 district facility at the request of a county other than  
26 Potter County. This provision was impliedly repealed  
27 by the enactment of The Indigent Health Care and  
28 Treatment Act (Chapter 1, Acts of the 69th  
29 Legislature, 1st Called Session, 1985), codified in  
30 1989 as Chapter 61, Health and Safety Code, which  
31 prescribes county liability for health care services  
32 provided to indigent patients. The omitted law reads:

33 b. Whenever an indigent patient has  
34 been admitted to the facilities at the  
35 request of any county other than Potter,  
36 such county shall be liable to pay for the  
37 actual cost of his support, care, and  
38 treatment immediately after statements have  
39 been presented by the district, and if not  
40 paid shall become a charge on its general  
41 fund collectible by a suit in any court of  
42 competent jurisdiction.

43 Revised Law

44 Sec. 1001.115. AUTHORITY TO SUE AND BE SUED. The district,  
45 through the board, may sue and be sued in the name of the district.

1 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

2 Source Law

3 a. . . . The district, through its Board of  
4 Managers, shall have the power and authority to sue and  
5 be sued in its name. . . .

6 Revisor's Note  
7 (End of Subchapter)

8 Section 11, Chapter 136, Acts of the 55th  
9 Legislature, Regular Session, 1957, provides  
10 authority for the "State Board of Health or any State  
11 Board of Charities (or Public Welfare)" to inspect  
12 hospital district facilities and records. The revised  
13 law omits Section 11 as unnecessary because various  
14 state laws, including Chapters 222 and 241, Health and  
15 Safety Code, provide the necessary inspection  
16 authority to appropriate state agencies. The omitted  
17 law reads:

18 Sec. 11. All Hospital Districts  
19 established or maintained under provisions  
20 of this Act shall be subject to inspection  
21 by any duly authorized representative of  
22 the State Board of Health or any State Board  
23 of Charities (or Public Welfare) that may  
24 hereafter be created, and of the governing  
25 body of the city, and resident officers  
26 shall admit such representatives into all  
27 Hospital District facilities and give them  
28 access on demand to all records, reports,  
29 books, papers, and accounts pertaining to  
30 the Hospital District.

31 [Sections 1001.116-1001.150 reserved for expansion]

32 SUBCHAPTER D. CHANGE IN BOUNDARIES

33 Revised Law

34 Sec. 1001.151. PETITION TO EXPAND DISTRICT  
35 TERRITORY. (a) Registered voters of a defined territory not  
36 included in the district may file a petition with the board  
37 requesting inclusion of the territory in the district.

38 (b) The petition must be signed by at least 50 registered  
39 voters of the territory or a majority of those voters, whichever is  
40 fewer. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. a.)

41 Source Law

42 Sec. 19. a. Registered voters of a defined

1 territory that is not included in the Hospital  
2 District may file a petition with the Board of Managers  
3 requesting the inclusion of the territory in the  
4 district. The petition must be signed by at least 50  
5 registered voters of the territory, or a majority of  
6 those voters, whichever is less.

7 Revised Law

8 Sec. 1001.152. NOTICE OF HEARING. (a) The board by order  
9 shall set a time and place to hold a hearing on a petition to include  
10 a defined territory in the district.

11 (b) The hearing shall be held at least 30 days after the date  
12 the board issues the order.

13 (c) The board shall notify the governing body of the  
14 hearing. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. b.)

15 Source Law

16 b. The Board of Managers by order shall set a  
17 time and place to hold a hearing on the petition to  
18 include the territory in the Hospital District. The  
19 Board shall set a date for the hearing that is at least  
20 30 days after the date on which the Board issues the  
21 order. The Board of Managers shall notify the  
22 governing body of the City of Amarillo of the hearing.

23 Revised Law

24 Sec. 1001.153. ORDER OF ANNEXATION. (a) If, after a  
25 hearing under Section 1001.152, the board and the governing body  
26 determine that annexation of a defined territory into the district  
27 would benefit the district, the board and the governing body may  
28 approve the annexation by a resolution entered in their minutes.

29 (b) The board and the governing body are not required to  
30 include all territory described in the petition if the board and the  
31 governing body find that including only a portion of the territory  
32 is necessary or desirable. (Acts 55th Leg., R.S., Ch. 136, Sec. 19,  
33 Subsec. c.)

34 Source Law

35 c. If, after the hearing, the Board of Managers  
36 and the governing body of the City of Amarillo find  
37 that annexation of the territory to the Hospital  
38 District would benefit the District, the Board of  
39 Managers and the governing body of the City of Amarillo  
40 may approve the annexation by a resolution entered in  
41 their minutes. The Board of Managers and the governing  
42 body of the City of Amarillo are not required to  
43 include all of the territory described in the petition  
44 if the Board of Managers and the governing body of the  
45 City of Amarillo find that including only a portion of  
46 the territory is necessary or desirable.



1 Revised Law

2 Sec. 1001.154. RATIFICATION ELECTION. (a) Annexation of  
3 territory is final when approved by a majority of the voters at:

4 (1) an election held in the district; and

5 (2) a separate election held in the territory to be  
6 annexed.

7 (b) The election shall be held not earlier than the 45th day  
8 and not later than the 60th day after the date the election is  
9 ordered.

10 (c) The election may be called by the governing body on its  
11 own motion.

12 (d) The election order must state:

13 (1) the nature of the election, including the  
14 proposition to appear on the ballot;

15 (2) the date of the election;

16 (3) the hours during which the polls will be open; and

17 (4) the location of the polling places.

18 (e) The election shall be conducted by the persons  
19 responsible for conducting citywide elections in the City of  
20 Amarillo. The district shall:

21 (1) pay the City of Amarillo for the cost of an  
22 election held under this section; and

23 (2) provide for the payment before the governing body  
24 orders the election.

25 (f) Section 41.001(a), Election Code, does not apply to an  
26 election held under this section. (Acts 55th Leg., R.S., Ch. 136,  
27 Sec. 19, Subsecs. d (part), f, g, i, j, k.)

28 Source Law

29 d. Annexation of territory is final when  
30 approved by a majority of voters at an election held in  
31 the Hospital District and by a majority of the voters  
32 at a separate election held in the territory to be  
33 annexed. . . .

34 f. The election shall be held not less than 45  
35 days nor more than 60 days after the date on which the  
36 election is ordered.

37 g. The election order must state:

38 (1) the nature of the election, including  
39 the proposition that is to appear on the ballot;

1 (2) the date of the election;  
2 (3) the hours during which the polls will  
3 be open; and  
4 (4) the location of the polling places.

5 i. The election may be called by the governing  
6 body of the City of Amarillo on its own motion.

7 j. The election shall be conducted by the  
8 persons responsible for conducting citywide elections  
9 in Amarillo. The Hospital District shall pay the City  
10 of Amarillo for the cost of an election held under this  
11 section and shall make provision for the payment  
12 before the governing body of the City of Amarillo  
13 orders the election.

14 k. The Election Code governs an election held  
15 under this section, except that Section 41.001(a),  
16 Election Code, does not apply.

17 Revisor's Note

18 Subsection k, Section 19, Chapter 136, Acts of  
19 the 55th Legislature, Regular Session, 1957, provides  
20 that the Election Code governs an election held under  
21 that section. The revised law omits the provision as  
22 unnecessary because Section 1.002, Election Code,  
23 states that the Election Code applies to all elections  
24 held in this state. Therefore, throughout this  
25 chapter, the revised law references only an exception  
26 to the application of the Election Code.

27 Revised Law

28 Sec. 1001.155. NOTICE OF RATIFICATION ELECTION. (a) The  
29 governing body shall give notice of an election under Section  
30 1001.154 by publishing once a week for two consecutive weeks a  
31 substantial copy of the election order in a newspaper with general  
32 circulation in:

33 (1) the district; and

34 (2) the territory proposed to be added to the  
35 district.

36 (b) The first publication of the notice must appear at least  
37 35 days before the date of the election. (Acts 55th Leg., R.S., Ch.  
38 136, Sec. 19, Subsec. h.)

39 Source Law

40 h. The governing body of the City of Amarillo  
41 shall give notice of the election by publishing once a  
42 week for two consecutive weeks a substantial copy of  
43 the election order in a newspaper with general  
44 circulation in the Hospital District and in the

1 territory proposed to be added to the District. The  
2 first publication must appear at least 35 days before  
3 the date of the election.

4 Revised Law

5 Sec. 1001.156. ASSUMPTION OF DEBT AND TAXES. If the  
6 district has outstanding debts or taxes, the voters in an election  
7 to approve annexation under Section 1001.154 must determine whether  
8 the annexed territory will assume its portion of the debts or taxes  
9 on annexation. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. d  
10 (part).)

11 Source Law

12 d. . . . If the district has outstanding debts  
13 or taxes, the voters in the election to approve the  
14 annexation must also determine if the annexed  
15 territory will assume its proportion of the debts or  
16 taxes if added to the district.

17 Revised Law

18 Sec. 1001.157. BALLOT. The ballot for an election under  
19 Section 1001.154 shall be printed to permit voting for or against  
20 the following, as applicable:

21 (1) "Adding (description of territory to be annexed)  
22 to the City of Amarillo Hospital District and authorizing the  
23 governing body of the City of Amarillo to impose annual taxes to  
24 support the City of Amarillo Hospital District at a rate not to  
25 exceed 75 cents on each \$100 valuation of taxable property in the  
26 territory to be annexed."

27 (2) "(Description of territory to be annexed) assuming  
28 its proportionate share of the outstanding debts and taxes of the  
29 City of Amarillo Hospital District, if the territory is added to the  
30 district." (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. e.)

31 Source Law

32 e. The election ballots shall be printed to  
33 provide for voting for or against the following, as  
34 applicable:

35 (1) "Adding (description of territory to  
36 be annexed) to the Amarillo Hospital District and  
37 authorizing the levy by the governing body of the City  
38 of Amarillo of annual taxes to support the Amarillo  
39 Hospital District at a rate of not more than \$.75 on  
40 each \$100 valuation of taxable property in the  
41 proposed territory to be annexed."

42 (2) "(Description of territory to be  
43 annexed) assuming its proportionate share of the  
44 outstanding debts and taxes of the City of Amarillo

1 Hospital District, if it is added to the district."

2 Revisor's Note

3 Subsection e, Section 19, Chapter 136, Acts of  
4 the 55th Legislature, Regular Session, 1957, refers to  
5 an election ballot authorizing the governing body of  
6 the City of Amarillo to "levy" taxes. Other provisions  
7 of the law being revised in this chapter refer to the  
8 authority to "assess" and "collect" taxes. Throughout  
9 this chapter in relation to ad valorem taxes, the  
10 revised law substitutes "impose" for those terms for  
11 the reason stated in the revisor's note to Section  
12 1001.102 and because "impose" is the term generally  
13 used in Title 1, Tax Code.

14 [Sections 1001.158-1001.200 reserved for expansion]

15 SUBCHAPTER E. EXPANSION OF SERVICE

16 INTO RANDALL COUNTY

17 Revised Law

18 Sec. 1001.201. ELECTION ON EXPANSION OF SERVICE. (a) On  
19 presentation of a petition for an authorization election signed by  
20 at least five percent of the qualified voters of Randall County who  
21 do not reside within the boundaries of the City of Amarillo or the  
22 South Randall County Hospital District, the Randall County  
23 Commissioners Court shall call an election to authorize:

24 (1) the City of Amarillo Hospital District to serve  
25 the residents of that designated area of Randall County; and

26 (2) the Randall County Commissioners Court to impose a  
27 tax to support the district at a rate not to exceed 75 cents on each  
28 \$100 valuation of all property in the area.

29 (b) An election authorized under this section shall be held  
30 not later than the 60th day after the date the election is ordered.

31 (c) Section 41.001(a), Election Code, does not apply to an  
32 election ordered under this section. (Acts 55th Leg., R.S., Ch.  
33 136, Sec. 3B, Subsecs. (a), (f).)

34 Source Law

35 Sec. 3B. (a) On presentation of a petition for

1 an authorization election signed by at least five (5)  
2 percent of the qualified voters of Randall County who  
3 do not reside within the boundaries of the City of  
4 Amarillo or the South Randall County Hospital  
5 District, the Commissioners Court of Randall County  
6 shall call an election to authorize the Amarillo  
7 Hospital District to serve the residents of that  
8 designated area of Randall County and to authorize the  
9 levy of a tax to support the Hospital District in an  
10 amount of not more than seventy-five cents (75¢) on the  
11 One Hundred Dollar (\$100.00) valuation on all property  
12 in the proposed area to be served. The election shall  
13 be held not more than sixty (60) days after the date on  
14 which the election is ordered.

15 (f) Section 41.001(a), Election Code, does not  
16 apply to an election ordered under this section.  
17 Except as provided by this subsection, an election  
18 under this section shall be held in accordance with the  
19 applicable provisions of the Election Code.

20 Revised Law

21 Sec. 1001.202. BALLOT. The ballot for an election under  
22 this subchapter shall be printed to permit voting for or against the  
23 proposition: "The assumption by the City of Amarillo Hospital  
24 District of the duty to serve Randall County residents who do not  
25 reside within the boundaries of the City of Amarillo or the South  
26 Randall County Hospital District, and the imposition of annual  
27 taxes to support the Amarillo Hospital District at a rate not to  
28 exceed 75 cents on each \$100 valuation of taxable property in the  
29 proposed area to be served." (Acts 55th Leg., R.S., Ch. 136, Sec.  
30 3B, Subsec. (b).)

31 Source Law

32 (b) The ballot for the election shall be printed  
33 to permit voting for or against the proposition: "The  
34 assumption by the Amarillo Hospital District of the  
35 duty to serve Randall County residents who do not  
36 reside within the boundaries of the City of Amarillo or  
37 the South Randall County Hospital District, and the  
38 levy of annual taxes to support the Amarillo Hospital  
39 District at a rate of not more than 75¢ on each \$100  
40 valuation of taxable property in the proposed area to  
41 be served."

42 Revised Law

43 Sec. 1001.203. ELECTION RESULTS. If a majority of the  
44 votes in an election under this subchapter favor the expansion  
45 proposition:

46 (1) the district, by resolution, shall assume:

47 (A) the duty to serve the designated area of  
48 Randall County; and

1 (B) the responsibility of Randall County to  
2 provide medical and hospital care to the indigent and needy  
3 inhabitants of that area; and

4 (2) the Randall County Commissioners Court shall  
5 impose a tax sufficient to pay the costs, as determined by the  
6 board, of providing medical and hospital care to the indigent and  
7 needy residents of that area. (Acts 55th Leg., R.S., Ch. 136, Sec.  
8 3B, Subsec. (c) (part).)

9 Source Law

10 (c) If a majority of the votes in the election  
11 are favorable to the proposition, the Hospital  
12 District shall, by resolution, assume the duty to  
13 serve that designated portion of Randall County and  
14 assume the responsibility of Randall County to provide  
15 medical and hospital care to the indigent and needy  
16 inhabitants of that area. In addition, the  
17 Commissioners Court of Randall County shall assess,  
18 levy, and collect a tax at a rate sufficient to pay the  
19 costs, as determined by the Board of Managers, of  
20 providing medical and hospital care to the indigent  
21 and needy inhabitants of that area. . . .

22 Revised Law

23 Sec. 1001.204. TAXES. A tax imposed by the Randall County  
24 Commissioners Court under this subchapter may not exceed 75 cents  
25 on each \$100 valuation of all property in Randall County that is not  
26 within the boundaries of the City of Amarillo or the South Randall  
27 County Hospital District. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B,  
28 Subsec. (c) (part).)

29 Source Law

30 (c) . . . However, the tax rate may not exceed  
31 seventy-five cents (75¢) on each One Hundred Dollar  
32 (\$100.00) valuation of all property in Randall County  
33 that is not within the boundaries of the City of  
34 Amarillo or the South Randall County Hospital  
35 District.

36 Revised Law

37 Sec. 1001.205. PARTICIPATION IN OPERATION OF  
38 DISTRICT. The Randall County Commissioners Court and the  
39 governing body, acting for the board, may agree on terms under which  
40 the commissioners court may participate in the operation of the  
41 district. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. (d).)

1 Source Law

2 (d) The Commissioners Court of Randall County  
3 and the governing body of the City of Amarillo, acting  
4 on behalf of the Board of Managers, may agree on terms  
5 under which the Commissioners Court of Randall County  
6 may participate in the operation of the Hospital  
7 District.

8 Revised Law

9 Sec. 1001.206. CUMULATIVE EFFECT. This subchapter and  
10 Subchapter F are cumulative of any other law establishing the  
11 manner in which Randall County, or any portion of Randall County,  
12 may participate in, be annexed to, or otherwise be served by the  
13 district. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. g.)

14 Source Law

15 g. This section is cumulative of any other law  
16 establishing the manner in which Randall County, or  
17 any portion of Randall County, may participate in, be  
18 annexed to, or otherwise served by the Amarillo  
19 Hospital District.

20 [Sections 1001.207-1001.250 reserved for expansion]

21 SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY  
22 TERRITORY

23 Revised Law

24 Sec. 1001.251. ELECTION ON DISCONTINUATION OF  
25 SERVICE. (a) On presentation of a petition for a discontinuation  
26 election signed by at least five percent of the qualified voters of  
27 the area receiving services under Subchapter E, the Randall County  
28 Commissioners Court shall call an election to discontinue:

- 29 (1) the provision of services by the district; and
- 30 (2) the imposition of taxes to support the district.

31 (b) The election shall be held not later than the 60th day  
32 after the date the election is ordered.

33 (c) Section 41.001(a), Election Code, does not apply to an  
34 election ordered under this section. (Acts 55th Leg., R.S., Ch.  
35 136, Sec. 3B, Subsecs. (e) (part), (f) (part).)

36 Source Law

37 (e) On presentation of a petition for a  
38 discontinuation election signed by at least five  
39 percent of the qualified voters of the area receiving  
40 services under this section, the Commissioners Court  
41 of Randall County shall call an election to  
42 discontinue the provision of services by the Hospital

1 District and the levy of taxes to support the Hospital  
2 District. The election shall be held not more than 60  
3 days after the date on which the election is  
4 ordered. . . .

5 (f) Section 41.001(a), Election Code, does not  
6 apply to an election ordered under this section. . . .

7 Revised Law

8 Sec. 1001.252. BALLOT. The ballot for an election under  
9 this subchapter shall be printed to provide for voting for or  
10 against the proposition: "Discontinuation by the City of Amarillo  
11 Hospital District of the duty to provide services and  
12 discontinuation of the imposition of taxes to support the  
13 district." (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. (e)  
14 (part).)

15 Source Law

16 (e) . . . The ballot for the proposition shall  
17 be printed to provide for voting for or against the  
18 proposition: "Discontinuation by the Amarillo  
19 Hospital District of the duty to provide services and  
20 discontinuation of the levy of taxes to support the  
21 district." . . .

22 Revised Law

23 Sec. 1001.253. ELECTION RESULTS. If a majority of the  
24 votes in an election favor the proposition to discontinue service  
25 under this subchapter, the district is relieved of the duty to  
26 provide medical and hospital care to the indigent and needy  
27 residents of the area receiving services in Randall County and  
28 shall cease providing the services. (Acts 55th Leg., R.S., Ch. 136,  
29 Sec. 3B, Subsec. (e) (part).)

30 Source Law

31 (e) . . . If a majority of the votes in the  
32 election are favorable to the proposition, the  
33 Hospital District is relieved of the duty to provide  
34 medical and hospital care to the Randall County area's  
35 indigent and needy inhabitants under this section and  
36 shall cease to provide the services. . . .

37 Revised Law

38 Sec. 1001.254. TAXES. The district is entitled to receive  
39 taxes from the area in which services are discontinued under this  
40 subchapter in an amount sufficient to pay expenses incurred by the  
41 district in serving the area residents before the date services  
42 were discontinued. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec.



1 (e) (part).)

2 Source Law

3 (e) . . . However, the Hospital District is  
4 entitled to receive taxes from that area in an amount  
5 sufficient to pay for expenses incurred by the  
6 Hospital District in serving area residents before the  
7 date on which the Hospital District discontinued the  
8 services.

9 [Sections 1001.255-1001.300 reserved for expansion]

10 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

11 Revised Law

12 Sec. 1001.301. BUDGET. (a) The district administrator,  
13 under the direction of the board, shall prepare an annual budget.

14 (b) The governing body and the board shall:

15 (1) provide in each annual budget for the payment of  
16 all operation and maintenance expenses of the district; and

17 (2) consider the estimated excess revenues and income  
18 from hospital facilities available for paying the operation and  
19 maintenance expenses after providing for the principal, interest,  
20 and reserve requirements of revenue bonds issued for the district.

21 (c) The budget must be approved by the board and presented  
22 to the governing body for final approval.

23 (d) The governing body must approve all budget revisions.  
24 (Acts 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (g) (part); Sec. 8  
25 (part).)

26 Source Law

27 [Sec. 3A]

28 (g) . . . The city governing body and the Board  
29 of Managers of the Hospital District shall make  
30 provision in each annual Hospital District Budget for  
31 the payment of all operation and maintenance expenses  
32 of the Hospital District, and shall take into  
33 consideration the estimated excess revenues and income  
34 from hospital facilities that will be available for  
35 paying operation and maintenance expenses after  
36 providing for all principal, interest, and reserve  
37 requirements in connection with the bonds. . . .

38 Sec. 8. . . . Under the direction of the Board  
39 of Managers, he shall prepare an annual budget which  
40 shall be approved by the Board of Managers and shall  
41 then be presented to the governing body of the city for  
42 final approval. In like manner all budget revisions  
43 shall be subject to approval by the governing body of  
44 the city.

1 Revisor's Note

2 Section 3A(g), Chapter 136, Acts of the 55th  
3 Legislature, Regular Session, 1957, refers to "the  
4 bonds." Section 3A, codified in large part in Section  
5 1001.356, authorizes the governing body of the City of  
6 Amarillo to issue revenue bonds on behalf of the  
7 hospital district. Therefore, the revised law refers  
8 to "revenue bonds issued for the district" for the  
9 convenience of the reader.

10 Revised Law

11 Sec. 1001.302. FINANCIAL REPORT. (a) As soon as  
12 practicable after the close of each fiscal year, the district  
13 administrator shall prepare a report that includes:

14 (1) a complete sworn statement of:

15 (A) all money and choses in action received by  
16 the administrator; and

17 (B) how the money and choses in action were  
18 disbursed or otherwise disposed; and

19 (2) the details of district operation during the  
20 preceding fiscal year.

21 (b) The district administrator shall make the report to:

22 (1) the board;

23 (2) the governing body;

24 (3) the Potter County Commissioners Court;

25 (4) the Texas Board of Health; and

26 (5) the comptroller. (Acts 55th Leg., R.S., Ch. 136,  
27 Sec. 8 (part).)

28 Source Law

29 Sec. 8. Once each year, as soon as practicable  
30 after the close of the fiscal year, the Administrator  
31 of the Hospital District shall report to the Board of  
32 Managers, the governing body of the City of Amarillo,  
33 the Commissioners Court of Potter County, the State  
34 Board of Health and the State Comptroller a full sworn  
35 statement of all moneys and choses in action received  
36 by such Administrator and how disbursed or otherwise  
37 disposed of. Such report shall show in detail the  
38 operations of the district for the term. . . .

1 Revisor's Note

2 (1) Section 8, Chapter 136, Acts of the 55th  
3 Legislature, Regular Session, 1957, refers to the  
4 "State Board of Health." In 1977, the name of that  
5 agency was changed to the "Texas Board of Health." The  
6 revised law reflects that change.

7 (2) Section 8, Chapter 136, Acts of the 55th  
8 Legislature, Regular Session, 1957, refers to the  
9 "state comptroller." The revised law refers to  
10 "comptroller" because Section 403.001, Government  
11 Code, provides that in any state statute,  
12 "comptroller" means the comptroller of public accounts  
13 of the State of Texas.

14 Revised Law

15 Sec. 1001.303. DEPOSITORY. (a) The board shall select  
16 one or more depositories for the district in the manner provided by  
17 law for the selection of a county depository.

18 (b) A depository selected by the board shall be the  
19 depository of the district until one or more successors are  
20 selected and qualified.

21 (c) All income received by the district, including tax  
22 revenue after deducting discounts and fees for assessing and  
23 collecting the taxes, shall be deposited with the hospital  
24 depository and may be withdrawn only as provided by this chapter.

25 (Acts 55th Leg., R.S., Ch. 136, Sec. 2, Subsec. b (part); Sec. 10.)

26 Source Law

27 [Sec. 2]

28 b. . . . The residue of tax collections, after  
29 deduction of discounts and fees for assessing and  
30 collecting, shall be deposited in the hospital  
31 district depository; and such funds shall be withdrawn  
32 only as provided herein. All other income of the  
33 Hospital District shall be deposited in like manner  
34 with the district depository.

35 Sec. 10. The Board of Managers shall select one  
36 or more depositories for such district in the manner  
37 provided by law for the selection of county  
38 depositories; and such depository or depositories  
39 shall be the depository or depositories of such  
40 district until one or more successors are selected and  
41 qualified.

1 [Sections 1001.304-1001.350 reserved for expansion]

2 SUBCHAPTER H. BONDS

3 Revised Law

4 Sec. 1001.351. GENERAL OBLIGATION BONDS. The governing  
5 body may issue and sell general obligation bonds in the name and on  
6 the faith and credit of the district to purchase, construct,  
7 acquire, equip, or enlarge the hospital or hospital system. (Acts  
8 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)

9 Source Law

10 Sec. 3. a. The city governing body shall have  
11 the power and authority to issue and sell as the  
12 obligations of such Hospital District, and in the name  
13 and upon the faith and credit of such Hospital  
14 District, bonds for the acquisition, purchase,  
15 construction, equipment and enlargement of the  
16 hospital or hospital system, and for any or all of such  
17 purposes; . . . .

18 Revised Law

19 Sec. 1001.352. TAX TO PAY GENERAL OBLIGATION  
20 BONDS. (a) The governing body shall impose an ad valorem tax at a  
21 rate sufficient to create an interest and sinking fund to pay the  
22 principal of and interest on the general obligation bonds as the  
23 bonds mature.

24 (b) The tax required by this section together with any other  
25 tax the district imposes in any year may not exceed 75 cents on each  
26 \$100 valuation of all taxable property in the district. (Acts 55th  
27 Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)

28 Source Law

29 [a. The city governing body shall have the power  
30 and authority to issue . . . bonds . . .] provided,  
31 that a sufficient tax shall be levied to create an  
32 interest and sinking fund to pay the interest and  
33 principal as same matures provided said tax together  
34 with any other taxes levied for said district shall not  
35 exceed Seventy-five Cents (75¢) in any one year. . . .

36 Revisor's Note

37 Subsection a, Section 3, Chapter 136, Acts of the  
38 55th Legislature, Regular Session, 1957, requires the  
39 district to impose "a sufficient tax" to pay the  
40 principal of and interest on bonds. The revised law  
41 specifies that the tax is an "ad valorem" tax because

1 it is clear from the source law that the tax is a  
2 property tax and "ad valorem" is the term most commonly  
3 used in relation to a property tax.

4 Revised Law

5 Sec. 1001.353. GENERAL OBLIGATION BOND ELECTION. (a) The  
6 district may issue general obligation bonds only if the bonds are  
7 authorized by a majority of the voters voting at an election held  
8 according to the law relating to municipal bonds.

9 (b) The governing body shall call the election at the  
10 request of the board and may also call the election on its own  
11 motion.

12 (c) The person charged with conducting and arranging  
13 citywide elections is responsible for conducting the bond election.

14 (d) The district shall pay the cost of a bond election. The  
15 district must provide for the payment of election costs before the  
16 governing body is required to order an election. (Acts 55th Leg.,  
17 R.S., Ch. 136, Sec. 3, Subsec. a (part).)

18 Source Law

19 a. . . . No such bonds shall be issued by such  
20 Hospital District . . . until authorized by a majority  
21 vote of the legally qualified property taxpaying  
22 voters residing in such Hospital District, voting at  
23 an election called and held in accordance with the  
24 provisions of law relating to city bonds. Such  
25 election may be called by the governing body of the  
26 city of its own motion, or shall be called by it after  
27 request therefor by the Board of Hospital Managers;  
28 and the same persons shall be responsible for the  
29 conduct of such election and the arrangements of all  
30 details thereof as the persons charged therewith in  
31 connection with other city-wide elections. The cost  
32 of any such election shall be a charge upon the  
33 Hospital District and its funds; and the Hospital  
34 District shall make provision for the payment thereof  
35 before the governing body of the city shall be required  
36 to order such an election.

37 Revisor's Note

38 (1) Subsection a, Section 3, Chapter 136, Acts  
39 of the 55th Legislature, Regular Session, 1957, refers  
40 to the "legally qualified" voters of the district. The  
41 revised law omits the quoted language as unnecessary  
42 in this context because Chapter 11, Election Code,  
43 governs eligibility to vote in an election in this

1 state and allows only "legally qualified voters" who  
2 are residents of the territory covered by the election  
3 to vote in an election.

4 (2) Subsection a, Section 3, Chapter 136, Acts  
5 of the 55th Legislature, Regular Session, 1957, refers  
6 to "property taxpaying" voters. The revised law omits  
7 the quoted language because in Hill v. Stone, 421 U.S.  
8 289, 95 S. Ct. 1637 (1975), the United States Supreme  
9 Court determined that property ownership as a  
10 qualification for voting is an unconstitutional denial  
11 of equal protection.

12 (3) Subsection a, Section 3, Chapter 136, Acts  
13 of the 55th Legislature, Regular Session, 1957,  
14 provides that the district may issue bonds if  
15 authorized at an election "called and held" in  
16 accordance with the law relating to city bonds.  
17 Throughout this chapter, the revised law omits  
18 references to "calling" an election because, in this  
19 context, "calling" an election is included within the  
20 meaning of "holding" an election. Under Chapter 3,  
21 Election Code, all elections must be ordered (called)  
22 before they may be held.

23 Revised Law

24 Sec. 1001.354. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
25 The mayor of the City of Amarillo shall execute the general  
26 obligation bonds in the district's name.

27 (b) The city secretary shall countersign the bonds. (Acts  
28 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)

29 Source Law

30 a. . . . Such bonds shall be executed in the  
31 name of the Hospital District and on its behalf by the  
32 Mayor of the City of Amarillo, and countersigned by the  
33 City Secretary, or, . . . .

34 Revisor's Note

35 Subsection a, Section 3, Chapter 136, Acts of the  
36 55th Legislature, Regular Session, 1957, authorizes

1 facsimile signatures in accordance with the "Texas  
2 Uniform Facsimile Signature of Public Officials Act  
3 (Article 717j-1, Vernon's Texas Civil Statutes)." The  
4 revised law omits that provision as unnecessary  
5 because that statute, codified in 1999 as Chapter 618,  
6 Government Code, permits the use of facsimile  
7 signatures. The omitted law reads:

8 a. . . . in lieu of such manual  
9 signatures, facsimile signatures of the  
10 Mayor or City Secretary, or both may be  
11 printed on the bonds as provided by the  
12 Texas Uniform Facsimile Signature of Public  
13 Officials Act (Article 717j-1, Vernon's  
14 Texas Civil Statutes), and its subsequent  
15 amendments, and . . . .

16 Revised Law

17 Sec. 1001.355. INVESTMENT OF GENERAL OBLIGATION BOND  
18 PROCEEDS. Proceeds from the sale of general obligation bonds may  
19 be invested in direct obligations of the United States government.  
20 (Acts 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. e.)

21 Source Law

22 e. Proceeds from the sale of bonds may be  
23 invested in direct obligations of the United States  
24 Government.

25 Revised Law

26 Sec. 1001.356. REVENUE BONDS. (a) The governing body may  
27 issue and sell revenue bonds for and in the name of the district to:

28 (1) purchase, construct, acquire, repair, renovate,  
29 improve, enlarge, or equip hospital facilities; or

30 (2) acquire real or personal property for use in  
31 connection with the hospital facilities.

32 (b) A revenue bond issued under this section is a special  
33 obligation of the district.

34 (c) A revenue bond issued under this section must mature not  
35 later than 40 years after the date of issuance. The total principal  
36 of revenue bonds issued and outstanding may not exceed \$20 million.

37 (d) Under the terms prescribed in an ordinance authorizing  
38 the issuance of revenue bonds, the governing body may provide for  
39 the subsequent issuance of additional parity bonds, subordinate

1 lien bonds, or other types of bonds. (Acts 55th Leg., R.S., Ch.  
2 136, Sec. 3A, Subsecs. (a), (d), (e).)

3 Source Law

4 Sec. 3A. (a) The city governing body, for and  
5 on behalf of the Hospital District, may issue and sell  
6 revenue bonds as special obligations of the Hospital  
7 District, in the name of the Amarillo Hospital  
8 District, for the purpose of providing funds to  
9 acquire, purchase, construct, repair, renovate,  
10 improve, enlarge, or equip hospital facilities, and to  
11 acquire any real or personal property in connection  
12 therewith.

13 (d) The bonds may be issued to mature serially  
14 or otherwise not to exceed forty (40) years from their  
15 date. The total principal of revenue bonds issued and  
16 outstanding may not exceed \$20 million.

17 (e) In the authorization of any revenue bonds,  
18 the city governing body may provide for the subsequent  
19 issuance of additional parity bonds, or subordinate  
20 lien bonds, or other types of bonds, under such terms  
21 or conditions as may be set forth in the ordinance  
22 authorizing the issuance of the bonds, all within the  
23 discretion of the governing body of the city.

24 Revisor's Note

25 (1) Section 3A(d), Chapter 136, Acts of the 55th  
26 Legislature, Regular Session, 1957, provides that  
27 bonds issued under that law may "mature serially or  
28 otherwise." Throughout this chapter, the revised law  
29 omits the quoted language as unnecessary because it  
30 does not act as a limitation on the authority to issue  
31 the bonds.

32 (2) Section 3A(e), Chapter 136, Acts of the 55th  
33 Legislature, Regular Session, 1957, refers to "terms  
34 or conditions." The reference to "conditions" is  
35 omitted from the revised law because "conditions" is  
36 included within the meaning of "terms."

37 Revised Law

38 Sec. 1001.357. PAYMENT OF REVENUE BONDS; SECURITY. (a) The  
39 governing body may:

40 (1) issue revenue bonds payable from and secured by  
41 liens on and pledges of all or any part of the revenues and income,  
42 other than ad valorem taxes, derived by the district from the  
43 operation and ownership of hospital facilities; and



1 (2) pledge to the payment of revenue bonds all or any  
2 part of a grant, donation, or income received or to be received from  
3 the United States or any other public or private source.

4 (b) The bonds may be additionally secured by a mortgage or  
5 deed of trust on any real property on which a district hospital  
6 facility is or will be located and any real or personal property  
7 incident or appurtenant to the facility. The governing body may  
8 authorize the execution and delivery of a trust indenture,  
9 mortgage, deed of trust, or other form of encumbrance to evidence  
10 the security interest. (Acts 55th Leg., R.S., Ch. 136, Sec. 3A,  
11 Subsecs. (b), (c).)

12 Source Law

13 (b) The city governing body may issue the  
14 revenue bonds to be payable from and secured by liens  
15 on and pledges of all or any part of the revenues and  
16 income of every nature derived by the Hospital  
17 District from the operation and ownership of its  
18 hospital facilities, exclusive of ad valorem taxes.  
19 The city governing body also may pledge to the payment  
20 of the revenue bonds all or any part of any grant,  
21 donation, or income received or to be received from the  
22 United States government or any other public or  
23 private source.

24 (c) The bonds may be additionally secured by  
25 mortgages and deeds of trust on any real property on  
26 which any hospital facilities of the Hospital District  
27 are or will be located, and any real or personal  
28 property incident or appurtenant to the facilities,  
29 and the governing body of the city may authorize the  
30 execution and delivery of trust indentures, mortgages,  
31 deeds of trust, or other forms of encumbrances to  
32 evidence the same.

33 Revised Law

34 Sec. 1001.358. USE OF REVENUE BOND PROCEEDS. (a) If  
35 permitted in the bond ordinance, any required part of the proceeds  
36 from the sale of the revenue bonds may be used to:

37 (1) pay interest on the bonds during the construction  
38 of a hospital facility to be provided through the issuance of the  
39 bonds;

40 (2) pay operation and maintenance expenses of the  
41 facility to the extent and for the time specified in the bond  
42 ordinance; and

43 (3) create reserves for the payment of the principal  
44 of and interest on the bonds.

1 (b) The proceeds of the bonds may be invested until needed  
2 to the extent and in the manner provided by the bond ordinance.  
3 (Acts 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (f) (part).)

4 Source Law

5 (f) . . . If so permitted in the bond  
6 ordinance, any required part of the proceeds from the  
7 sale of the bonds may be used for paying interest  
8 thereon during the period of the construction of any  
9 hospital facilities to be provided through the  
10 issuance of the bonds, and for the payment of operation  
11 and maintenance expenses of the facilities to the  
12 extent, and for the period of time, specified in the  
13 bond ordinance, and also for the creation of reserves  
14 for the payment of the principal of and interest on the  
15 bonds. The proceeds of the bonds may be invested until  
16 needed, to the extent and in the manner provided in the  
17 bond ordinance.

18 Revisor's Note

19 (1) Section 3A(f), Chapter 136, Acts of the 55th  
20 Legislature, Regular Session, 1957, provides that all  
21 bonds and interest coupons are negotiable instruments  
22 that shall be executed. The revised law omits the  
23 provision as unnecessary because it duplicates Section  
24 1201.041, Government Code, which provides that all  
25 public securities are negotiable instruments. Section  
26 1201.041, Government Code, applies to bonds issued  
27 under this chapter by application of Section 1201.002,  
28 Government Code. The revised law omits the reference  
29 to "interest coupons" as unnecessary because the  
30 coupons are issued as part of the bonds. The reference  
31 to the requirement that the bonds be "executed" is  
32 omitted because bonds issued are executed. The  
33 omitted law reads:

34 (f) The bonds, and any interest  
35 coupons pertaining thereto, shall be  
36 negotiable instruments, . . . and shall be  
37 executed, and . . . .

38 (2) Section 3A(f), Chapter 136, Acts of the 55th  
39 Legislature, Regular Session, 1957, provides that  
40 bonds issued under Section 3A "may be issued  
41 registrable as to principal alone or as to both  
42 principal and interest." The revised law omits the

1 provision as unnecessary because it duplicates Section  
2 1201.024, Government Code. That section applies to  
3 bonds issued under this chapter by the application of  
4 Section 1201.002, Government Code. The omitted law  
5 reads:

6 (f) . . . provided that the bonds  
7 may be issued registrable as to principal  
8 alone or as to both principal and  
9 interest, . . . .

10 (3) Section 3A(f), Chapter 136, Acts of the 55th  
11 Legislature, Regular Session, 1957, provides that  
12 bonds "may be made redeemable prior to maturity." The  
13 revised law omits the provision as unnecessary because  
14 Section 1201.021, Government Code, provides that a  
15 public security may be redeemed before maturity. That  
16 section applies to bonds issued under this chapter by  
17 the application of Section 1201.002, Government Code.  
18 The omitted law reads:

19 (f) . . . may be made redeemable  
20 prior to maturity, and . . . .

21 (4) Section 3A(f), Chapter 136, Acts of the 55th  
22 Legislature, Regular Session, 1957, provides that  
23 bonds may be issued "in such form, denominations, and  
24 manner, and under such terms, conditions, and details,  
25 and may be sold in such manner, at such price, and  
26 under such terms, and the bonds shall bear interest at  
27 any rate or rates" as provided by the city governing  
28 body in the orders authorizing their issuance. The  
29 revised law omits the quoted language because it  
30 duplicates or is superseded by provisions of general  
31 law. Sections 1201.005 and 1201.024, Government Code,  
32 provide that an issuer, including a hospital district,  
33 may specify the form of a bond it issues. Section  
34 1201.021, Government Code, provides that the governing  
35 body of an issuer may issue bonds in any denomination.  
36 Sections 1201.005 and 1201.022, Government Code,

1 provide that a governmental entity may specify the  
2 terms under which a bond is issued. "Conditions" and  
3 "details" are included within the meaning of "terms."  
4 Section 1204.006(b), Government Code, provides that an  
5 issuer, including a hospital district, may sell public  
6 securities at any price and bearing interest at any  
7 rate or rates. The omitted law reads:

8 (f) [The bonds . . .] may be issued  
9 in such form, denominations, and manner,  
10 and under such terms, conditions, and  
11 details, and may be sold in such manner, at  
12 such price, and under such terms, and the  
13 bonds shall bear interest at any rate or  
14 rates all as shall be determined and  
15 provided by the city governing body in the  
16 ordinance authorizing the issuance of the  
17 bonds. . . .

18 Revised Law

19 Sec. 1001.359. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL  
20 FACILITY. The governing body and the board shall establish and  
21 collect charges for the occupancy or use of a hospital facility and  
22 for related services in the amounts and manner determined by the  
23 board. The charges shall be set and collected in amounts at least  
24 sufficient with any other pledged resources to:

25 (1) pay the principal of, interest on, and any other  
26 amounts required in relation to the bonds issued by the district;  
27 and

28 (2) to the extent required by the bond ordinance, pay  
29 all or any part of the operation, maintenance, and other expenses of  
30 the hospital facility. (Acts 55th Leg., R.S., Ch. 136, Sec. 3A,  
31 Subsec. (g) (part).)

32 Source Law

33 (g) The city governing body and the Board of  
34 Managers of the Hospital District are authorized to  
35 fix and collect charges for the occupancy or use of any  
36 of said hospital facilities, and the services thereof,  
37 in such amounts and in such manner as may be determined  
38 by such Board; and such charges shall be fixed and  
39 collected in such amounts as will be at least  
40 sufficient, together with any other pledged resources,  
41 to provide for all payments of principal, interest,  
42 and any other amounts required in connection with said  
43 bonds, and, to the extent required by the bond  
44 ordinance, to provide for payment of all or any part of  
45 the operation, maintenance, and other expenses of the

1 hospital facilities. . . .

2 Revised Law

3 Sec. 1001.360. REFUNDING BONDS. (a) The board may, without  
4 an election, issue refunding bonds to refund outstanding general  
5 obligation bonds issued or assumed by the district.

6 (b) Refunding bonds may be:

7 (1) sold, with the proceeds of the refunding bonds  
8 applied to the payment of the bonds to be refunded; or

9 (2) exchanged in whole or in part for not less than a  
10 like amount of bonds to be refunded and the matured but unpaid  
11 interest on those bonds.

12 (c) The refunding bonds must mature not later than 40 years  
13 after the date of issuance. (Acts 55th Leg., R.S., Ch. 136, Sec. 3,  
14 Subsecs. a (part), b.)

15 Source Law

16 a. [. . . No such bonds shall be issued by such  
17 Hospital District] (except refunding bonds) . . . .

18 b. In the manner hereinabove provided, the bonds  
19 of such Hospital District may, without the necessity  
20 of any election therefor, be issued for the purpose of  
21 refunding and paying off any bonded indebtedness  
22 theretofore assumed by such Hospital District and any  
23 bonds theretofore issued by such Hospital District;  
24 such refunding bonds may be sold and the proceeds  
25 thereof applied to the payment of any such outstanding  
26 bonds or may be exchanged in whole or in part for not  
27 less than a like amount of said outstanding bonds and  
28 interest matured thereon, but unpaid. The refunding  
29 bonds shall mature serially or otherwise in not to  
30 exceed forty (40) years.

31 Revised Law

32 Sec. 1001.361. BONDS EXEMPT FROM TAXATION. The following  
33 are exempt from taxation by this state or a political subdivision of  
34 this state:

35 (1) bonds issued by the district;

36 (2) a transaction relating to the bonds; and

37 (3) profits made in the sale of the bonds. (Acts 55th  
38 Leg., R.S., Ch. 136, Sec. 20 (part).)

39 Source Law

40 Sec. 20. . . . bonds issued by the district,  
41 any transaction relating to the bonds, and profits  
42 made in the sale of the bonds are free from taxation by  
43 the state or by any city, county, special district, or  
44 other political subdivision of the state.

1 Revisor's Note

2 Section 20, Chapter 136, Acts of the 55th  
3 Legislature, Regular Session, 1957, refers to a "city,  
4 county, special district, or other political  
5 subdivision of the state." The revised law omits  
6 "city," "county," and "special district" because those  
7 terms are included within the meaning of "political  
8 subdivision of the state."

9 Revisor's Note  
10 (End of Subchapter)

11 (1) Section 3A(h), Chapter 136, Acts of the 55th  
12 Legislature, Regular Session, 1957, authorizes the  
13 governing body of the City of Amarillo to issue  
14 refunding bonds for revenue bonds. The revised law  
15 omits the provisions because Chapter 1207, Government  
16 Code, provides general authority for an issuer,  
17 including a hospital district, to issue refunding  
18 securities at any interest rate that does not exceed  
19 the maximum rate permitted by law. Section 3A(h) also  
20 provides procedures applicable to refunding bonds that  
21 are superseded by the procedures under Chapter 1207.  
22 The omitted law reads:

23 (h) Any revenue bonds issued for the  
24 Hospital District under this Act, or any  
25 other Texas statute, and payable from  
26 revenues from any hospital facilities, may  
27 be refunded or otherwise refinanced by the  
28 city governing body, and in such case all  
29 pertinent and appropriate provisions of  
30 this Act shall be fully applicable to the  
31 refunding bonds. In refunding or otherwise  
32 refinancing any bonds the city governing  
33 body may, in the same authorization  
34 proceedings, refund or refinance bonds  
35 issued pursuant to this Act and bonds issued  
36 pursuant to any other Texas statute and  
37 combine all its refunding bonds and any  
38 other additional new bonds to be issued  
39 pursuant thereto into one or more issues or  
40 series of bonds, and may provide for the  
41 subsequent issuance of additional parity  
42 bonds, or subordinate lien bonds, or other  
43 type of bonds. All refunding bonds shall be  
44 issued and delivered under the terms and  
45 conditions as may be set forth in the  
46 authorization proceedings. Refunding bonds  
47 also may be issued pursuant to any other

1 applicable Texas statute.

2 (2) Subsection a, Section 3, Chapter 136, Acts  
3 of the 55th Legislature, Regular Session, 1957,  
4 provides that the bonds are subject to the law  
5 governing the City of Amarillo relating to approval of  
6 the bonds by the attorney general and registration of  
7 the bonds by the comptroller. Section 3A(i) also  
8 requires that the bonds be submitted to the attorney  
9 general for examination and approval and registered by  
10 the comptroller and provides that after approval and  
11 registration the bonds are incontestable. The revised  
12 law omits these provisions as superseded by Chapter  
13 1202, Government Code (enacted as Article 3, Chapter  
14 53, Acts of the 70th Legislature, 2nd Called Session,  
15 1987). Section 1202.003(a), Government Code, requires  
16 bonds to be submitted to the attorney general. Section  
17 1202.003(b), Government Code, provides for approval of  
18 the bonds by the attorney general and requires the  
19 attorney general to submit the approved bonds to the  
20 comptroller for registration. Section 1202.005,  
21 Government Code, requires registration of the bonds by  
22 the comptroller. Section 1202.006, Government Code,  
23 provides that after approval and registration, the  
24 bonds are incontestable and binding obligations.  
25 Chapter 1202, Government Code, applies to bonds issued  
26 under this chapter by application of Section 1202.001,  
27 Government Code. The omitted law reads:

28 Sec. 3. a. . . . [Such bonds] . . .  
29 shall be subject to the same requirements in  
30 the matter of approval thereof by the  
31 Attorney General of the State of Texas and  
32 the registration thereof by the Comptroller  
33 of Public Accounts of the State of Texas as  
34 are by law provided for such approval and  
35 registration of bonds of such city; and the  
36 approval of such bonds by the Attorney  
37 General shall have the same force and effect  
38 as is by law given to his approval of bonds  
39 of such city. . . .

40 [Sec. 3A]

41 (i) All bonds issued pursuant to this

1 Act, and copies of documents relating to the  
2 appropriate proceedings authorizing their  
3 issuance, shall be submitted to the  
4 Attorney General of the State of Texas for  
5 examination. If he finds that the bonds  
6 have been authorized in accordance with law  
7 he shall approve them, and thereupon they  
8 shall be registered by the Comptroller of  
9 Public Accounts of the State of Texas, and  
10 after approval and registration the bonds  
11 shall be incontestable in any court, or  
12 other forum, for any reason, and shall be  
13 valid and binding obligations in accordance  
14 with their terms for all purposes.

15 (3) Subsection d, Section 3, and Section 3A(j),  
16 Chapter 136, Acts of the 55th Legislature, Regular  
17 Session, 1957, provide that bonds issued under that  
18 act are authorized investments for certain entities  
19 and that the bonds are lawful security for deposits.  
20 The revised law omits the provisions as unnecessary.  
21 As to several of the entities listed, Sections 3 and  
22 3A(j) have been superseded and impliedly repealed.  
23 Investments in securities by banks are regulated by  
24 Section 34.101, Finance Code (enacted in 1995 as  
25 Section 5.101, Texas Banking Act (Article 342-5.101,  
26 Vernon's Texas Civil Statutes)). Investments in  
27 securities by savings banks are regulated by Section  
28 93.001(c)(10), Finance Code (enacted in 1993 as  
29 Section 7.15(10), Texas Savings Bank Act (Article  
30 489e, Vernon's Texas Civil Statutes)). Investments in  
31 securities by trust companies are regulated by Section  
32 184.101, Finance Code (enacted in 1997 as Section  
33 5.101, Texas Trust Company Act (Article 342a-5.101,  
34 Vernon's Texas Civil Statutes)). Investments in  
35 securities by savings and loan associations are  
36 regulated by Sections 63.002 and 64.001, Finance Code.  
37 As to the remaining entities listed, Sections 3 and  
38 3A(j) are superseded by Section 1201.041, Government  
39 Code, enacted as Section 9, Bond Procedures Act of 1981  
40 (Article 717k-6, Vernon's Texas Civil Statutes).  
41 While Section 3 lists "guardians" and Section



1 1201.041, Government Code, does not, Section 1201.041  
2 includes "fiduciaries," and a guardian is a fiduciary.  
3 Section 1201.041, Government Code, applies to bonds  
4 issued under this chapter by application of Section  
5 1201.002, Government Code. The revised law omits the  
6 reference to sinking funds of this state because it has  
7 been superseded by Section 404.024, Government Code  
8 (enacted in 1985 as Section 2.014, Treasury Act  
9 (Article 4393-1, Vernon's Texas Civil Statutes)),  
10 which governs the investment of state funds. Section  
11 404.024(b)(10), Government Code, authorizes the  
12 investment of state funds in obligations of political  
13 subdivisions, including hospital districts. The  
14 omitted law reads:

15 [Sec. 3]

16 d. All bonds of the district shall be  
17 and are hereby declared to be legal and  
18 authorized investments for banks, savings  
19 banks, trust companies, savings and loan  
20 associations, insurance companies,  
21 fiduciaries, trustees, guardians, and the  
22 sinking funds of cities, towns, villages,  
23 counties, school districts, or other  
24 political subdivisions of the State of  
25 Texas. . . .

26 [Sec. 3A]

27 (j) All revenue bonds issued pursuant  
28 to this Act shall be legal and authorized  
29 investments for all banks, trust companies,  
30 building and loan associations, savings and  
31 loan associations, small business  
32 investment corporations, insurance  
33 companies of all kinds and types,  
34 fiduciaries, and trustees, and for all  
35 interest and sinking funds and other public  
36 funds of the State of Texas and all  
37 agencies, subdivisions, and  
38 instrumentalities of the state, including  
39 all counties, cities, towns, villages,  
40 school districts, and all other kinds and  
41 types of districts, public agencies, and  
42 bodies politic. . . .

43 (4) Subsection d, Section 3, and Section 3A(j),  
44 Chapter 136, Acts of the 55th Legislature, Regular  
45 Session, 1957, effectively provide that bonds issued  
46 under that act may secure deposits of public funds of  
47 this state or political subdivisions of this state.

1 The revised law omits the provisions as impliedly  
2 repealed by Section 404.0221, Government Code (enacted  
3 in 1995), which lists eligible collateral for deposits  
4 of state funds by the comptroller, and by Chapter 2257,  
5 Government Code (enacted in 1989 as Article 2529d,  
6 Vernon's Texas Civil Statutes), which governs eligible  
7 collateral for deposits of funds of other public  
8 agencies, including political subdivisions. The  
9 omitted law reads:

10 [Sec. 3]

11 d. . . . Such bonds shall be  
12 eligible to secure the deposit of any and  
13 all public funds of the State of Texas, and  
14 any and all public funds of cities, towns,  
15 villages, counties, school districts, or  
16 other political corporations or  
17 subdivisions of the State of Texas; and such  
18 bonds shall be lawful and sufficient  
19 security for said deposits to the extent of  
20 their value, when accompanied by all  
21 unmatured coupons appurtenant thereto.

22 [Sec. 3A]

23 (j) . . . The bonds also shall be  
24 eligible and lawful security for all  
25 deposits of public funds of the State of  
26 Texas and all agencies, subdivisions, and  
27 instrumentalities of the state, including  
28 all counties, cities, towns, villages,  
29 school districts, and all other kinds and  
30 types of districts, public agencies, and  
31 bodies politic, to the extent of the market  
32 value of the bonds, when accompanied by any  
33 unmatured interest coupons appurtenant to  
34 them.

35 (5) Section 3A(k), Chapter 136, Acts of the 55th  
36 Legislature, Regular Session, 1957, provides that the  
37 chapter controls over other law. The first part of  
38 Section 3A(k), relating to the cumulative effect of  
39 Chapter 136, is omitted as unnecessary. An accepted  
40 general principle of statutory construction requires a  
41 statute to be given cumulative effect with other  
42 statutes unless it provides otherwise or unless the  
43 statutes are in conflict. The general principle  
44 applies to this revision. That part of Section 3A(k)  
45 providing that the act is sufficient authority for the  
46 issuance of revenue bonds and performance of other

1 authorized acts is omitted by the revised law as  
2 unnecessary. The operative provisions of Chapter 136  
3 are fully effective on their own terms. Part of  
4 Section 3A(k) provides that in case of certain  
5 conflicts between Chapter 136 and other law, Chapter  
6 136 prevails. This provision is omitted from the  
7 revised law because it is both unnecessary and  
8 potentially misleading. To the extent it means  
9 Chapter 136 prevails over other law in existence at the  
10 time the chapter became effective and with which the  
11 chapter conflicts, it merely restates general rules of  
12 statutory construction. To the extent it means  
13 Chapter 136 prevails over future enactments of the  
14 legislature that may conflict with it, it is  
15 misleading. It is a fundamental principle of  
16 statutory construction that one session of the  
17 legislature may not bind a future session of the  
18 legislature. In addition, Section 311.026, Government  
19 Code, governs the interpretation of the revised law in  
20 instances of apparent conflict with other laws. The  
21 last part of Section 3A(k), which provides that the  
22 governing body has the right to use the provisions of  
23 Chapter 136 to carry out any power granted by the  
24 chapter, is omitted by the revised law as unnecessary.  
25 The operative provisions of the chapter are fully  
26 effective on their own terms. The omitted law reads:

27 (k) This Act shall be cumulative of  
28 all other laws on the subject, but this Act  
29 shall be wholly sufficient authority within  
30 itself for the issuance of revenue bonds and  
31 the performance of the other acts and  
32 procedures authorized hereby, without  
33 reference to any other laws or any  
34 restrictions or limitations contained  
35 therein, except as herein specifically  
36 provided; and when any revenue bonds are  
37 being issued under this Act, then to the  
38 extent of any conflict or inconsistency  
39 between any provisions of this Act and any  
40 provision of any other law, the provisions  
41 of this Act shall prevail and control;  
42 provided, however, that the city governing

1 body shall have the right to use the  
2 provisions hereof, to the extent convenient  
3 or necessary to carry out any power or  
4 authority, express or implied, granted by  
5 this Act.

6 [Sections 1001.362-1001.400 reserved for expansion]

7 SUBCHAPTER I. TAXES

8 Revised Law

9 Sec. 1001.401. IMPOSITION OF AD VALOREM TAX. (a) The  
10 governing body shall impose on all taxable property in the  
11 district, for the benefit of the district, a tax at a rate not to  
12 exceed 75 cents on each \$100 valuation of the property.

13 (b) The governing body shall impose the tax at the same time  
14 taxes are imposed for municipal purposes, using the municipal  
15 appraisal roll.

16 (c) The tax may be used to:

17 (1) pay the interest on and create a sinking fund for  
18 bonds assumed or issued by the district for hospital purposes as  
19 provided by this chapter;

20 (2) provide for the operation and maintenance of the  
21 hospital or hospital system; and

22 (3) when requested by the board and approved by the  
23 governing body, make improvements and additions to the hospital  
24 system and acquire necessary sites by purchase, lease, or  
25 condemnation. (Acts 55th Leg., R.S., Ch. 136, Sec. 2, Subsecs. a, b  
26 (part); Sec. 3A, Subsec. (g) (part).)

27 Source Law

28 Sec. 2. a. The governing body of the City of  
29 Amarillo shall have the power and the authority, and it  
30 shall be its duty, to levy on all property subject to  
31 hospital district taxation for the benefit of the  
32 district at the same time taxes are levied for city  
33 purposes, using the city values and the city tax roll,  
34 a tax of not to exceed Seventy-five Cents (75¢) on the  
35 One Hundred Dollars (\$100) valuation of all taxable  
36 property within the Hospital District, for the purpose  
37 of (1) paying the interest on and creating a sinking  
38 fund for bonds which may have been assumed or which may  
39 be issued by the Hospital District for hospital  
40 purposes, as herein provided; (2) providing for the  
41 operation and maintenance of the hospital or hospital  
42 system; and (3) when requested by the Board of Hospital  
43 Managers and approved by the governing body of the  
44 city, for the purpose of making further improvements  
45 and additions to the hospital system, and for the  
46 acquisition of necessary sites therefor, by purchase,

1 lease, or condemnation.

2 b. [The tax so levied . . . shall be  
3 collected] . . . on the city tax values, and . . . .

4 [Sec. 3A]

5 (g) . . . . To the extent that excess revenues  
6 and income are not available at any time to make  
7 payment of all operation and maintenance expenses of  
8 the Hospital District, ad valorem taxes of the  
9 Hospital District shall be used to make such payment,  
10 and . . . .

11 Revisor's Note

12 (1) Subsection c, Section 2, Chapter 136, Acts  
13 of the 55th Legislature, Regular Session, 1957,  
14 permits the governing body of the City of Amarillo to  
15 impose taxes for the entire year in which the district  
16 is established. The revised law omits the provision as  
17 executed. The omitted law reads:

18 c. The city governing body shall have  
19 the authority to levy the tax aforesaid for  
20 the entire year in which the said Hospital  
21 District is established, for the purpose of  
22 securing funds to initiate the operation of  
23 the Hospital District, and to pay assumed  
24 bonds.

25 (2) Subsection a, Section 2, Chapter 136, Acts  
26 of the 55th Legislature, Regular Session, 1957, refers  
27 to the "city values" and the city "tax roll." The  
28 revised law substitutes a reference to "the municipal  
29 appraisal roll" to conform to the terminology of Title  
30 1, Tax Code, including Section 26.01 of that code,  
31 requiring the chief appraiser of an appraisal district  
32 to certify to the tax assessor of each taxing unit that  
33 has property in the appraisal district an appraisal  
34 roll that lists the properties taxable by that taxing  
35 unit and the value of those properties.

36 Revised Law

37 Sec. 1001.402. DUTY TO IMPOSE TAX. (a) The ordinance  
38 authorizing the issuance of revenue bonds may pledge the proceeds  
39 of an annual ad valorem tax for the payment of the district's  
40 operation and maintenance expenses.

41 (b) If the annual ad valorem tax is pledged, the governing  
42 body shall, during each year during which the bonds are

1 outstanding, compute a tax rate sufficient to pay the operation and  
2 maintenance expenses. The tax rate shall be based on the most  
3 recent certified appraisal roll of the district.

4 (c) The ad valorem tax shall be imposed on all taxable  
5 property in the district for each year the bonds are outstanding.  
6 The tax shall be assessed and collected each year and used for the  
7 purpose prescribed by this section to the extent required. (Acts  
8 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (g) (part).)

9 Source Law

10 (g) . . . [To the extent that excess revenues  
11 and income are not available at any time to make  
12 payment of all operation and maintenance expenses of  
13 the Hospital District, ad valorem taxes . . . shall be  
14 used to make such payment, and] the proceeds of an  
15 annual ad valorem tax may be pledged for such payment  
16 in the ordinance authorizing the issuance of the  
17 revenue bonds. If the annual ad valorem tax is thus  
18 pledged, it shall be the duty of the city governing  
19 body, during each year while any of the bonds are  
20 outstanding, to compute and ascertain a rate and  
21 amount of ad valorem tax which will be sufficient to  
22 raise and produce the money required to make the  
23 payment of operation and maintenance expenses to the  
24 extent required; and the tax shall be based on the  
25 latest approved tax rolls of the Hospital District,  
26 with full allowance being made for tax delinquencies  
27 and the cost of tax collection. The rate and amount of  
28 ad valorem tax shall be levied, and ordered to be  
29 levied, against all taxable property in the Hospital  
30 District, for each year while any of the bonds are  
31 outstanding; and the tax shall be assessed and  
32 collected each year and used for such purpose to the  
33 extent required. . . .

34 Revisor's Note

35 (1) Section 3A(g), Chapter 136, Acts of the 55th  
36 Legislature, Regular Session, 1957, refers to the  
37 district's "tax rolls." The revised law substitutes a  
38 reference to "the most recent certified appraisal  
39 roll" for the reasons stated in Revisor's Note (2) to  
40 Section 1001.401.

41 (2) Section 3A(g), Chapter 136, Acts of the 55th  
42 Legislature, Regular Session, 1957, provides for  
43 computing the tax rate "with full allowance being made  
44 for tax delinquencies and the cost of tax collection."  
45 Section 3A(g) was enacted in 1975 and has not been  
46 amended since that date. The revised law omits the

1 quoted language as impliedly repealed by Title 1, Tax  
2 Code, which was intended as a comprehensive,  
3 substantive codification of all property tax law and  
4 its administration and specifically prescribes the  
5 manner in which the tax rate is computed. Title 1, Tax  
6 Code, was enacted by Chapter 841, Acts of the 66th  
7 Legislature, Regular Session, 1979.

8 (3) Section 3A(g), Chapter 136, Acts of the 55th  
9 Legislature, Regular Session, 1957, provides that a  
10 tax imposed may not exceed the limitation prescribed  
11 by Section 5, Article IX, Texas Constitution. The  
12 revised law omits the provision as unnecessary because  
13 general law may not authorize an action that conflicts  
14 with the constitution. The omitted law reads:

15 (g) . . . The tax levied may not  
16 exceed the tax limitation set forth in  
17 Article IX, Section 5 of the Texas  
18 Constitution.

19 Revised Law

20 Sec. 1001.403. POTTER COUNTY TAX. (a) The Potter County  
21 Commissioners Court may impose an ad valorem tax on all property  
22 inside the county and outside the boundaries of the City of Amarillo  
23 to provide financial aid to the district.

24 (b) The tax may not exceed 10 cents on each \$100 valuation of  
25 all taxable property described by Subsection (a). (Acts 55th Leg.,  
26 R.S., Ch. 136, Sec. 16 (part).)

27 Source Law

28 [Sec. 16. The Commissioners Court of Potter  
29 County] may assess and levy taxes on all property  
30 outside the incorporated limits of the City of  
31 Amarillo not to exceed the rate of Ten Cents (10¢) on  
32 the One Hundred Dollars (\$100) valuation of all  
33 taxable property within such area for the purpose,  
34 only, of rendering financial aid to the Hospital  
35 District, and . . . .

36 Revised Law

37 Sec. 1001.404. TAX ASSESSOR-COLLECTOR. (a) The tax  
38 assessor and collector for the City of Amarillo shall collect taxes  
39 imposed on all property subject to district taxation in the same

1 manner and under the same conditions as for city taxes.

2 (b) From payments to the district, the tax assessor and  
3 collector shall deduct fees for assessing and collecting the tax.  
4 The fee may not exceed 1-1/2 percent of the amount collected as  
5 determined by the governing body. The collected fees shall be  
6 deposited in the City of Amarillo's general fund. (Acts 55th Leg.,  
7 R.S., Ch. 136, Sec. 2, Subsec. b (part).)

8 Source Law

9 b. The tax so levied shall become a lien on and  
10 shall be collected on all property subject to Hospital  
11 District taxation by the Assessor and Collector of  
12 Taxes for the city . . . in the same manner and under  
13 the same conditions as city taxes. The Assessor and  
14 Collector of Taxes shall charge and deduct from  
15 payments to the Hospital District the fees for  
16 assessing and collecting the tax at the rate of not  
17 exceeding one and one half per cent (1 1/2%) of the  
18 amounts collected as may be determined by the  
19 governing body of the city. Such fees shall be  
20 deposited in the city's general fund. . . .

21 Revisor's Note

22 Subsection b, Section 2, Chapter 136, Acts of the  
23 55th Legislature, Regular Session, 1957, provides that  
24 a tax imposed is a lien on all property subject to  
25 district taxation. The revised law omits the  
26 provision as unnecessary because Section 32.01, Tax  
27 Code, imposes such a lien.

28 Revised Law

29 Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS.  
30 Interest, penalties, and discounts on taxes paid to the district  
31 shall be the same as those on taxes paid to the city. (Acts 55th  
32 Leg., R.S., Ch. 136, Sec. 2, Subsec. b (part).)

33 Source Law

34 b. . . . Interest and penalties on taxes paid  
35 to the Hospital District shall be the same as in the  
36 case of city taxes. Discounts shall be the same as for  
37 city taxes. . . .

38 Revisor's Note  
39 (End of Subchapter)

40 Section 13, Chapter 136, Acts of the 55th  
41 Legislature, Regular Session, 1957, provides, in part,  
42 that the delinquent taxes owed to the City of Amarillo



1 and Potter County at the time of enactment of that  
2 section shall be paid to the district. The revised law  
3 omits the provision as executed. The omitted law  
4 reads:

5           Sec. 13. . . . That portion of  
6 delinquent taxes owed the City of Amarillo  
7 and Potter County on levies for present city  
8 and county hospital systems under Acts,  
9 Forty-eighth Legislature, 1943, Chapter  
10 383, page 691, shall continue to be paid to  
11 the Hospital District by the city and county  
12 as collected, and applied by the Hospital  
13 District to the purpose for which such taxes  
14 originally were levied.

15                           Revisor's Note  
16                           (End of Chapter)

17           Section 5, Chapter 71, Acts of the 70th  
18 Legislature, 2nd Called Session, 1987, states the  
19 effective date of Section 4 of that chapter. Section 4  
20 amends Chapter 136, Acts of the 55th Legislature,  
21 Regular Session, 1957, by adding Section 3B relating  
22 to the expansion of service into Randall County. The  
23 revised law omits the provision as executed. The  
24 omitted law reads:

25           Sec. 5. Section 4 of this Act takes  
26 effect on the date on which the  
27 constitutional amendment proposed by the  
28 70th Legislature, 2nd Called Session, 1987,  
29 authorizing the Amarillo Hospital District  
30 to provide services to certain residents of  
31 Randall County and authorizing Randall  
32 County to provide financial assistance to  
33 the district office take effect. If the  
34 amendment is not approved by the voters,  
35 Section 4 of this Act has no effect.

36           CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

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18 CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 1004.001. DEFINITIONS. In this chapter:

- 22 (1) "Board" means the board of directors of the
- 23 district.
- 24 (2) "Director" means a member of the board.
- 25 (3) "District" means the Ballinger Memorial Hospital
- 26 District. (Acts 70th Leg., R.S., Ch. 137, Sec. 1.01.)

27 Source Law

28 Sec. 1.01. In this Act:

- 29 (1) "District" means the Ballinger
- 30 Memorial Hospital District.
- 31 (2) "Board" means the board of directors
- 32 of the district.
- 33 (3) "Director" means a member of the
- 34 board.

35 Revised Law

36 Sec. 1004.002. AUTHORITY FOR OPERATION. The Ballinger

37 Memorial Hospital District operates and is financed as provided by

1 Section 9, Article IX, Texas Constitution, and by this chapter.  
2 (Acts 70th Leg., R.S., Ch. 137, Sec. 1.02.)

3 Source Law

4 Sec. 1.02. The Ballinger Memorial Hospital  
5 District may be created and, if created, must be  
6 maintained, operated, and financed in the manner  
7 provided by Article IX, Section 9, of the Texas  
8 Constitution and by this Act.

9 Revisor's Note

10 Section 1.02, Chapter 137, Acts of the 70th  
11 Legislature, Regular Session, 1987, provides that the  
12 Ballinger Memorial Hospital District "may be created  
13 and, if created, must be maintained, operated, and  
14 financed" in the manner provided by the Texas  
15 Constitution. Throughout this chapter, the revised  
16 law omits references to the creation of the district as  
17 executed. The revised law omits "maintained" because  
18 the meaning of that term is included in the meaning of  
19 "operated."

20 Revised Law

21 Sec. 1004.003. ESSENTIAL PUBLIC FUNCTION. The district is  
22 a public entity performing an essential public function. (Acts  
23 70th Leg., R.S., Ch. 137, Sec. 7.11 (part).)

24 Source Law

25 Sec. 7.11. Since the district created under  
26 this Act is a public entity performing an essential  
27 public function, . . . .

28 Revised Law

29 Sec. 1004.004. DISTRICT TERRITORY. The district is  
30 composed of the territory described by Section 1.03, Chapter 137,  
31 Acts of the 70th Legislature, Regular Session, 1987, as that  
32 territory may have been modified under other law. (New.)

33 Revisor's Note

34 The revision of the law governing the Ballinger  
35 Memorial Hospital District does not revise the  
36 statutory language describing the territory of the  
37 district to avoid the lengthy recitation of the

1 description and because that description may not be  
2 accurate on the effective date of the revision or at  
3 the time of a later reading. For the reader's  
4 convenience, the revised law includes a reference to  
5 the statutory description of the district's territory.  
6 The revised law also includes a reference to the  
7 general authority of the legislature to enact other  
8 laws to change the district's territory.

9 Revised Law

10 Sec. 1004.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
11 OBLIGATION. The state may not be obligated for the support or  
12 maintenance of the district. (Acts 70th Leg., R.S., Ch. 137, Sec.  
13 9.01 (part).)

14 Source Law

15 Sec. 9.01. The state may not become obligated  
16 for the support or maintenance of a hospital district  
17 created under this Act, . . . .

18 Revised Law

19 Sec. 1004.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
20 The legislature may not make a direct appropriation for the  
21 construction, maintenance, or improvement of a district facility.  
22 (Acts 70th Leg., R.S., Ch. 137, Sec. 9.01 (part).)

23 Source Law

24 Sec. 9.01. . . . nor may the legislature make a  
25 direct appropriation for the construction,  
26 maintenance, or improvement of a facility of the  
27 district.

28 Revisor's Note  
29 (End of Subchapter)

30 Sections 3.01-3.07, Chapter 137, Acts of the 70th  
31 Legislature, Regular Session, 1987, provide  
32 procedures for holding an election on creation of the  
33 Ballinger Memorial Hospital District, and Section 3.08  
34 provides for the expiration of the act if the district  
35 is not created. Because the district has been created,  
36 the revised law omits these sections as executed. The  
37 omitted law reads:

1           Sec. 3.01. The district may be  
2 created and a tax may be authorized only if  
3 the creation and the tax are approved by a  
4 majority of the qualified voters of the  
5 territory of the proposed district voting  
6 at an election called and held for that  
7 purpose.

8           Sec. 3.02. On approval by a majority  
9 of the Runnels County Commissioners Court,  
10 the temporary directors shall order a  
11 creation election to be held.

12           Sec. 3.03. The order calling the  
13 election must state:

14           (1) the nature of the election,  
15 including the proposition that is to appear  
16 on the ballot;

17           (2) the date of the election;

18           (3) the hours during which the  
19 polls will be open; and

20           (4) the location of the polling  
21 places.

22           Sec. 3.04. The temporary directors  
23 shall give notice of the election by  
24 publishing a substantial copy of the  
25 election order in a newspaper with general  
26 circulation in the proposed district once a  
27 week for two consecutive weeks. The first  
28 publication must appear at least 25 days  
29 before the date set for the election.

30           Sec. 3.05. (a) The election shall be  
31 held not less than 30 days nor more than 60  
32 days after the date on which the election is  
33 ordered.

34           (b) Subsection (a), Section 41.001,  
35 Election Code, does not apply to an election  
36 ordered under this article.

37           Sec. 3.06. The ballot for an election  
38 at which the issuance of bonds is not  
39 proposed shall be printed to permit voting  
40 for or against the proposition: "The  
41 creation of the Ballinger Memorial Hospital  
42 District and the levy of annual taxes for  
43 hospital purposes at a rate not to exceed 25  
44 cents on each \$100 valuation of all taxable  
45 property in the district."

46           Sec. 3.07. (a) The temporary  
47 directors of the district shall canvass the  
48 returns of the election.

49           (b) If the temporary directors find  
50 that the election results are favorable to  
51 the proposition to create the district,  
52 they shall issue an order declaring the  
53 district created.

54           (c) If the temporary directors find  
55 that the election results are not favorable  
56 to the proposition to create the district,  
57 another creation election may not be held  
58 within 12 months after the date of the  
59 election at which voters disapproved the  
60 proposition.

61           Sec. 3.08. If the creation of the  
62 district is not approved at an election held  
63 on or before January 1, 1990, this Act  
64 expires.

65           [Sections 1004.007-1004.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Revised Law

3 Sec. 1004.051. BOARD. The district is governed by a board  
4 of seven directors. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.01(a).)

5 Source Law

6 Sec. 4.01. (a) The district is governed by a  
7 board of seven directors.

8 Revisor's Note

9 Section 4.01(b), Chapter 137, Acts of the 70th  
10 Legislature, Regular Session, 1987, provides for  
11 temporary directors to serve until elected directors  
12 take office. The revised law omits the provision as  
13 executed. The omitted law reads:

14 (b) From the time the creation of the  
15 district is approved until the elected  
16 directors take office, the temporary  
17 directors serve as directors of the  
18 district.

19 Revised Law

20 Sec. 1004.052. TERMS; ELECTION. (a) Directors are elected  
21 from the district at large.

22 (b) Unless a four-year term is established under Section  
23 285.081, Health and Safety Code:

24 (1) directors serve staggered two-year terms; and

25 (2) a directors' election shall be held on the first  
26 Saturday in May of each year to elect the appropriate number of  
27 directors.

28 (c) Notice of the directors' election shall be published at  
29 least once in a newspaper with general circulation in the district  
30 in accordance with Section 4.003(a), Election Code. (Acts 70th  
31 Leg., R.S., Ch. 137, Secs. 4.03(a), (c) (part), 4.04.)

32 Source Law

33 Sec. 4.03. (a) Members of the board of  
34 directors shall be elected from the district at large.

35 (c) . . . an election shall be held on the first  
36 Saturday in May each year, and the appropriate number  
37 of successor directors shall be elected for two-year  
38 terms.

39 Sec. 4.04. Notice of the election shall be  
40 published one time in a newspaper with general



1 circulation in the district in accordance with Section  
2 4.003, Election Code.

3 Revisor's Note

4 (1) Section 4.03(b), Chapter 137, Acts of the  
5 70th Legislature, Regular Session, 1987, provides for  
6 staggering the directors' terms by requiring the four  
7 directors who receive "the highest number of votes at  
8 the initial election [to] serve for a term of two  
9 years" and the "remaining directors [to] serve for a  
10 term of one year." The revised law omits the provision  
11 as executed but codifies the establishment of  
12 staggered two-year terms. The omitted law reads:

13 (b) The seven candidates receiving  
14 the highest number of votes at the initial  
15 election of directors are directors for the  
16 district. The four directors receiving the  
17 highest number of votes at the initial  
18 election serve for a term of two years. The  
19 remaining directors serve for a term of one  
20 year.

21 (2) Section 4.03(c), Chapter 137, Acts of the  
22 70th Legislature, Regular Session, 1987, provides that  
23 directors serve for two years. Section 285.081,  
24 Health and Safety Code, applicable to all hospital  
25 districts, provides a mechanism by which the governing  
26 board of a hospital district may, on its own motion,  
27 order that members are to be elected in even-numbered  
28 years to serve staggered four-year terms. The revised  
29 law is drafted accordingly and adds a reference to this  
30 provision for the convenience of the reader.

31 Revised Law

32 Sec. 1004.053. QUALIFICATIONS FOR OFFICE. (a) To be a  
33 candidate for or to serve as a director, a person must be:

34 (1) a resident of the district; and

35 (2) a qualified voter.

36 (b) An employee of the district may not serve as a director.  
37 (Acts 70th Leg., R.S., Ch. 137, Sec. 4.06.)

38 Source Law

39 Sec. 4.06. (a) To be eligible to be a candidate

1 for or to serve as a director, a person must be:  
2 (1) a resident of the district; and  
3 (2) a qualified voter.  
4 (b) An employee of the district may not serve as  
5 a director.

6 Revised Law

7 Sec. 1004.054. DIRECTOR'S BOND. (a) Before assuming the  
8 duties of office, each director must execute a bond in the amount of  
9 \$5,000 payable to the district and conditioned on the faithful  
10 performance of the director's duties.

11 (b) The bond shall be kept in the permanent records of the  
12 district.

13 (c) The board may pay for a director's bond with district  
14 money. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.07.)

15 Source Law

16 Sec. 4.07. (a) Before assuming the duties of the  
17 office, each director must execute a bond for \$5,000  
18 payable to the district, conditioned on the faithful  
19 performance of the person's duties as director.

20 (b) The bond shall be kept in the permanent  
21 records of the district.

22 (c) The board may pay for directors' bonds with  
23 district funds.

24 Revised Law

25 Sec. 1004.055. BOARD VACANCY. If a vacancy occurs in the  
26 office of director, the remaining directors shall appoint a  
27 director for the remainder of the unexpired term. (Acts 70th Leg.,  
28 R.S., Ch. 137, Sec. 4.08.)

29 Source Law

30 Sec. 4.08. A vacancy in the office of director  
31 shall be filled for the unexpired term by appointment  
32 by the remaining directors.

33 Revised Law

34 Sec. 1004.056. OFFICERS. (a) The board shall elect a  
35 president and a vice president from among the directors.

36 (b) The board shall appoint a secretary, who need not be a  
37 director.

38 (c) Each officer of the board serves a one-year term.

39 (d) The board shall fill a vacancy in a board office for the  
40 remainder of the unexpired term. (Acts 70th Leg., R.S., Ch. 137,  
41 Secs. 4.09, 4.10.)

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Source Law

Sec. 4.09. The board shall elect from among its members a president and a vice-president. The board shall also appoint a secretary. The secretary need not be a director.

Sec. 4.10. (a) Each officer of the board serves for a term of one year.

(b) A vacancy in a board office shall be filled for the unexpired term by the board.

Revised Law

Sec. 1004.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties.

The expenses must be:

- (1) reported in the district's records; and
- (2) approved by the board. (Acts 70th Leg., R.S., Ch.

137, Sec. 4.11.)

Source Law

Sec. 4.11. Directors and officers serve without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the district's minute book or other district records and must be approved by the board.

Revisor's Note

Section 4.11, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, provides that district expenses must be reported in the "district's minute book or other district records." The revised law omits "minute book" because the district's minute book is a district record.

Revised Law

Sec. 1004.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.12.)

Source Law

Sec. 4.12. A concurrence of a majority of the members of the board voting is necessary in matters relating to the business of the district.

Revised Law

Sec. 1004.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S

1 BOND. (a) The board may appoint a qualified person as district  
2 administrator.

3 (b) The district administrator serves at the will of the  
4 board.

5 (c) The district administrator is entitled to compensation  
6 determined by the board.

7 (d) Before assuming the duties of district administrator,  
8 the administrator must execute a bond payable to the district in an  
9 amount not less than \$5,000, as determined by the board,  
10 conditioned on the faithful performance of the administrator's  
11 duties.

12 (e) The board may pay for the bond with district money.  
13 (Acts 70th Leg., R.S., Ch. 137, Secs. 4.13(a) (part), (b) (part),  
14 (c) (part), (d).)

15 Source Law

16 Sec. 4.13. (a) The board may appoint qualified  
17 persons as administrator of the district, . . . .

18 (b) The administrator, . . . . serve at the will  
19 of the board.

20 (c) The administrator, . . . . are entitled to  
21 compensation as determined by the board.

22 (d) Before assuming his duties, the  
23 administrator shall execute a bond payable to the  
24 hospital district in the amount of not less than \$5,000  
25 as determined by the board, conditioned on the  
26 faithful performance of his duties under this Act. The  
27 board may pay for the bond with district funds.

28 Revised Law

29 Sec. 1004.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
30 Subject to the limitations prescribed by the board, the district  
31 administrator shall:

32 (1) supervise the work and activities of the district;  
33 and

34 (2) direct the general affairs of the district. (Acts  
35 70th Leg., R.S., Ch. 137, Sec. 4.16.)

36 Source Law

37 Sec. 4.16. The administrator shall supervise  
38 the work and activities of the district and shall  
39 direct the general affairs of the district, subject to  
40 the limitations prescribed by the board.

1 Revised Law

2 Sec. 1004.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

3 (a) The board may appoint qualified persons as assistant district  
4 administrator and attorney for the district.

5 (b) The assistant district administrator and attorney for  
6 the district serve at the will of the board.

7 (c) The assistant district administrator and attorney for  
8 the district are entitled to compensation determined by the board.

9 (Acts 70th Leg., R.S., Ch. 137, Secs. 4.13(a) (part), (b) (part),  
10 (c) (part).)

11 Source Law

12 Sec. 4.13. (a) The board may appoint qualified  
13 persons as . . . assistant to the administrator, and  
14 attorney for the district.

15 (b) The . . . assistant administrator, and  
16 attorney serve at the will of the board.

17 (c) The . . . assistant administrator, and  
18 attorney are entitled to compensation as determined by  
19 the board.

20 Revised Law

21 Sec. 1004.062. EMPLOYEES. (a) The district may employ  
22 nurses, technicians, fiscal agents, accountants, architects,  
23 additional attorneys, and other necessary employees.

24 (b) The board may delegate to the district administrator the  
25 authority to employ persons for the district. (Acts 70th Leg.,  
26 R.S., Ch. 137, Sec. 4.15.)

27 Source Law

28 Sec. 4.15. (a) The district may employ  
29 technicians, nurses, fiscal agents, accountants,  
30 architects, additional attorneys, and other necessary  
31 employees.

32 (b) The board may delegate to the administrator  
33 the authority to employ persons for the district.

34 Revised Law

35 Sec. 1004.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.  
36 The board may spend district money, enter into agreements, and take  
37 other necessary action to recruit physicians and other persons to  
38 serve as medical staff members or district employees. The actions  
39 may include:

40 (1) advertising and marketing;

1 (2) paying travel, recruitment, and relocation  
2 expenses;

3 (3) providing a loan or scholarship to a physician or a  
4 person currently enrolled in health care education courses at an  
5 institution of higher education who contracts to become a medical  
6 staff member or district employee; or

7 (4) contracting with a full-time medical student or  
8 other student in a health occupation who is enrolled in and in good  
9 standing at an accredited medical school, college, or university to  
10 pay the student's tuition or other expenses for the consideration  
11 of the student agreeing to serve as an employee or independent  
12 contractor for the district. (Acts 70th Leg., R.S., Ch. 137, Secs.  
13 4.18, 5.05(c).)

14 Source Law

15 Sec. 4.18. The board may spend district funds,  
16 enter into agreements, and take other necessary action  
17 to recruit physicians and other persons to serve as  
18 medical staff members or employees of the district,  
19 including:

20 (1) advertising and marketing;  
21 (2) paying travel, recruitment, and  
22 relocation expenses;

23 (3) providing a loan or scholarship to a  
24 physician or a person currently enrolled in health  
25 care education courses at an institution of higher  
26 education who contractually agrees to become a  
27 district employee or medical staff member; or

28 (4) contracting with one or more full-time  
29 medical students or other students in a health  
30 occupation, who must be enrolled in and in good  
31 standing at an accredited medical school, college, or  
32 university, to pay the student's tuition or other  
33 expenses in consideration of the student's agreement  
34 to serve as an employee or independent contractor for  
35 the district.

36 [Sec. 5.05]

37 (c) The board may spend money to recruit  
38 physicians.

39 Revised Law

40 Sec. 1004.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

41 The board may:

42 (1) appoint to the medical staff any doctor the board  
43 considers necessary for the efficient operation of the district;

44 (2) remove any doctor from the medical staff, after  
45 due process, if the board considers the doctor's removal necessary

1 for the efficient operation of the district; and

2 (3) make temporary appointments to the medical staff  
3 as the board considers necessary. (Acts 70th Leg., R.S., Ch. 137,  
4 Sec. 4.14.)

5 Source Law

6 Sec. 4.14. The board may:

7 (1) appoint to the staff any doctors it  
8 considers necessary for the efficient operation of the  
9 district and may make temporary appointments as  
10 considered necessary;

11 (2) remove from the medical staff, after  
12 due process, any doctors it considers necessary for  
13 the efficient operation of the district; and

14 (3) make temporary appointments to the  
15 medical staff as considered necessary.

16 Revised Law

17 Sec. 1004.065. RETIREMENT BENEFITS. The board may provide  
18 retirement benefits for district employees by:

19 (1) establishing or administering a retirement  
20 program; or

21 (2) participating in:

22 (A) the Texas County and District Retirement  
23 System; or

24 (B) another statewide retirement system in which  
25 the district is eligible to participate. (Acts 70th Leg., R.S., Ch.  
26 137, Sec. 4.17.)

27 Source Law

28 Sec. 4.17. The board may provide retirement  
29 benefits for employees of the district by establishing  
30 or administering a retirement program or by electing  
31 to participate in the Texas County and District  
32 Retirement System or in any other statewide retirement  
33 system in which the district is eligible to  
34 participate.

35 Revisor's Note  
36 (End of Subchapter)

37 (1) Sections 2.01 and 2.02, Chapter 137, Acts of  
38 the 70th Legislature, Regular Session, 1987, refer to  
39 the appointment of temporary directors of the  
40 district. The revised law omits the provisions as  
41 executed. The omitted law reads:

42 Sec. 2.01. On the effective date of  
43 this Act, the commissioners court of

1 Runnels County shall appoint seven persons  
2 to serve as temporary directors of the  
3 district.

4 Sec. 2.02. A vacancy in the office of  
5 temporary director shall be filled by  
6 appointment by majority vote of the  
7 remaining directors.

8 (2) Sections 4.02 and 4.03(c), Chapter 137, Acts  
9 of the 70th Legislature, Regular Session, 1987,  
10 provide for and refer to the election of initial  
11 directors of the district. The revised law omits the  
12 provisions as executed. The omitted law reads:

13 Sec. 4.02. Directors shall be  
14 elected at an election to be held on the  
15 first Saturday in May following the  
16 creation of the district.

17 [Sec. 4.03]

18 (c) After the initial election of  
19 directors, . . . .

20 (3) Section 4.05, Chapter 137, Acts of the 70th  
21 Legislature, Regular Session, 1987, provides that  
22 candidates for director must file an application in  
23 accordance with Chapter 144, Election Code. The  
24 revised law omits the provision as unnecessary because  
25 Section 144.001, Election Code, provides that Chapter  
26 144 of that code applies to a candidate for an office  
27 of a political subdivision other than a city or county,  
28 which includes a candidate for director of a hospital  
29 district. The omitted law reads:

30 Sec. 4.05. A person who wishes to  
31 have his or her name printed on the ballot  
32 as a candidate for director must file an  
33 application with the secretary of the board  
34 of directors in accordance with Chapter  
35 144, Election Code.

36 [Sections 1004.066-1004.100 reserved for expansion]

37 SUBCHAPTER C. POWERS AND DUTIES

38 Revised Law

39 Sec. 1004.101. DISTRICT RESPONSIBILITY. The district has  
40 full responsibility for operating hospital facilities and  
41 providing medical and hospital care for the district's needy  
42 residents. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.02 (part).)



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Source Law

Sec. 5.02. On creation of the district, the district:  
(1) assumes full responsibility for operating hospital facilities and for furnishing medical and hospital care for the district's needy inhabitants;  
. . . .

Revisor's Note

Section 5.02, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, provides, in part, that "[o]n creation of the district," the district "assumes" responsibility for providing certain medical and hospital care. The revised law substitutes "has" for the quoted language because the obligation to assume the responsibility is executed.

Revised Law

Sec. 1004.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.03.)

Source Law

Sec. 5.03. The board shall manage, control, and administer the hospital system and the funds and resources of the district.

Revised Law

Sec. 1004.103. RULES. The board may adopt rules governing:  
(1) the operation of the hospital and hospital system;  
and  
(2) the duties, functions, and responsibilities of district staff and employees. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.04.)

Source Law

Sec. 5.04. The board may adopt rules governing the operation of the hospital and hospital system and the duties, functions, and responsibilities of district staff and employees.

Revised Law

Sec. 1004.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

1 (1) the method of making purchases and expenditures by  
2 and for the district; and

3 (2) accounting and control procedures for the  
4 district. (Acts 70th Leg., R.S., Ch. 137, Secs. 5.05(a), (b).)

5 Source Law

6 Sec. 5.05. (a) The board may prescribe the  
7 method of making purchases and expenditures by and for  
8 the district.

9 (b) The board may prescribe accounting and  
10 control procedures for the district.

11 Revised Law

12 Sec. 1004.105. PROVISION OF CERTAIN HEALTH SERVICES. (a)  
13 The district may operate or provide for the operation of a mobile  
14 emergency medical service.

15 (b) The district may operate or provide for home health  
16 services, long-term care, skilled nursing care, intermediate  
17 nursing care, or hospice care. (Acts 70th Leg., R.S., Ch. 137, Sec.  
18 5.02 (part).)

19 Source Law

20 Sec. 5.02. . . . the district:

21 . . .  
22 (3) may operate or provide for the  
23 operation of a mobile emergency medical service; and

24 (4) may operate or provide for home health  
25 services, long-term care, skilled nursing care,  
26 intermediate nursing care, or hospice care.

27 Revised Law

28 Sec. 1004.106. DISTRICT PROPERTY, FACILITIES, AND  
29 EQUIPMENT. (a) The board shall determine:

30 (1) the type, number, and location of buildings  
31 required to maintain an adequate hospital system; and

32 (2) the type of equipment necessary for hospital care.

33 (b) The board may:

34 (1) acquire property, facilities, and equipment for  
35 the district for use in the hospital system;

36 (2) mortgage or pledge the property, facilities, or  
37 equipment as security for payment of the purchase price;

38 (3) sell or otherwise dispose of property, facilities,  
39 or equipment for the district; or

1 (4) lease hospital facilities for the district. (Acts  
2 70th Leg., R.S., Ch. 137, Sec. 5.06.)

3 Source Law

4 Sec. 5.06. (a) The board shall determine the  
5 type, number, and location of buildings required to  
6 establish and maintain an adequate hospital system and  
7 the type of equipment necessary for hospital care.

8 (b) The board may acquire property, facilities,  
9 and equipment for the district for use in the hospital  
10 system and may mortgage or pledge the property,  
11 facilities, or equipment acquired as security for the  
12 payment of the purchase price.

13 (c) The board may lease hospital facilities on  
14 behalf of the district.

15 (d) The board may sell or otherwise dispose of  
16 property, facilities, or equipment on behalf of the  
17 district.

18 Revisor's Note

19 Section 5.06(a), Chapter 137, Acts of the 70th  
20 Legislature, Regular Session, 1987, requires the board  
21 to determine the buildings required to "establish and  
22 maintain" an adequate hospital system. The revised  
23 law omits the reference to establishing the hospital  
24 system as executed.

25 Revised Law

26 Sec. 1004.107. OPERATING AND MANAGEMENT CONTRACTS. The  
27 board may enter into operating or management contracts relating to  
28 hospital facilities for the district. (Acts 70th Leg., R.S., Ch.  
29 137, Sec. 5.08.)

30 Source Law

31 Sec. 5.08. The board may enter into operating or  
32 management contracts relating to hospital facilities  
33 on behalf of the district.

34 Revised Law

35 Sec. 1004.108. SERVICE CONTRACTS. (a) The board may  
36 contract with a public or private hospital, a political subdivision  
37 of the state, or a state or federal agency for the district to  
38 provide a mobile emergency medical service or other health care  
39 services needed to provide for the investigatory or welfare needs  
40 of residents of the district.

41 (b) The board may contract with a person to receive or  
42 supply the services the board considers necessary for the effective

1 operation of the district. (Acts 70th Leg., R.S., Ch. 137, Sec.  
2 5.13.)

3 Source Law

4 Sec. 5.13. (a) The board may contract with a  
5 city, county, special district, public or private  
6 hospital, or other political subdivision of the state  
7 or with a state or federal agency for the district to  
8 furnish a mobile emergency medical service or other  
9 health care services needed to provide for the  
10 investigatory or welfare needs of inhabitants of the  
11 district.

12 (b) The board may contract with individuals,  
13 governmental entities, private corporations,  
14 associations, partnerships, cooperatives, and foreign  
15 governments to either receive or supply the services  
16 the board considers necessary for the effective  
17 operation of the district.

18 Revisor's Note

19 (1) Section 5.13, Chapter 137, Acts of the 70th  
20 Legislature, Regular Session, 1987, refers to "a city,  
21 county, special district, public or private hospital,  
22 or other political subdivision of the state."  
23 Throughout this chapter, the revised law omits  
24 references to "city," "county," and "special district"  
25 in this context because those terms are included in the  
26 meaning of "political subdivision of the state."

27 (2) Section 5.13, Chapter 137, Acts of the 70th  
28 Legislature, Regular Session, 1987, refers to  
29 "individuals, governmental entities, private  
30 corporations, associations, partnerships,  
31 cooperatives, and foreign governments." The revised  
32 law substitutes "a person" for the quoted language  
33 because Section 311.005, Government Code (Code  
34 Construction Act), applicable to the revised law,  
35 defines "person" to include "corporation,  
36 organization, government or governmental subdivision  
37 or agency, business trust, estate, trust, partnership,  
38 association, and any other legal entity."

39 Revised Law

40 Sec. 1004.109. EMINENT DOMAIN. (a) The district may  
41 exercise the power of eminent domain to acquire a fee simple or

1 other interest in property located in district territory if the  
2 interest is necessary for the district to exercise the rights or  
3 authority conferred by this chapter.

4 (b) The district must exercise the power of eminent domain  
5 in the manner provided by Chapter 21, Property Code, except that the  
6 district is not required to deposit in the trial court money or a  
7 bond as provided by Section 21.021(a), Property Code.

8 (c) In a condemnation proceeding brought by the district,  
9 the district is not required to:

10 (1) pay in advance or provide bond or other security  
11 for costs in the trial court;

12 (2) provide bond for the issuance of a temporary  
13 restraining order or a temporary injunction; or

14 (3) provide a bond for costs or a supersedeas bond on  
15 an appeal or writ of error. (Acts 70th Leg., R.S., Ch. 137, Sec.  
16 5.09.)

17 Source Law

18 Sec. 5.09. (a) The district may exercise the  
19 power of eminent domain to acquire by condemnation a  
20 fee simple or other interest in property located in the  
21 territory of the district if the property interest is  
22 necessary to the exercise of the rights or authority  
23 conferred by this Act.

24 (b) The district must exercise the power of  
25 eminent domain in the manner provided by Chapter 21,  
26 Property Code, but the district is not required to  
27 deposit in the trial court money or a bond as provided  
28 by Subsection (a), Section 21.021, Property Code.

29 (c) In a condemnation proceeding brought by the  
30 district, the district is not required to pay in  
31 advance or give bond or other security for costs in the  
32 trial court, to give bond for the issuance of a  
33 temporary restraining order or a temporary injunction,  
34 or to give bond for costs or supersedeas on an appeal  
35 or writ of error.

36 Revised Law

37 Sec. 1004.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
38 exercising the power of eminent domain, if the board requires  
39 relocating, raising, lowering, rerouting, changing the grade, or  
40 altering the construction of any railroad, highway, pipeline, or  
41 electric transmission and electric distribution, telegraph, or  
42 telephone line, conduit, pole, or facility, the district shall pay  
43 the actual cost of that activity to provide a comparable

1 replacement, without enhancement of facilities, after deducting  
2 the net salvage value derived from the old facility. (Acts 70th  
3 Leg., R.S., Ch. 137, Sec. 5.10.)

4 Source Law

5 Sec. 5.10. In exercising the power of eminent  
6 domain, if the board requires relocating, raising,  
7 lowering, rerouting, changing the grade, or altering  
8 the construction of any railroad, highway, pipeline,  
9 or electric transmission and electric distribution,  
10 telegraph, or telephone lines, conduits, poles, or  
11 facilities, the district must bear the actual cost of  
12 relocating, raising, lowering, rerouting, changing  
13 the grade, or altering the construction to provide  
14 comparable replacement without enhancement of  
15 facilities, after deducting the net salvage value  
16 derived from the old facility.

17 Revised Law

18 Sec. 1004.111. GIFTS AND ENDOWMENTS. The board may accept  
19 for the district a gift or endowment to be held in trust for any  
20 purpose and under any direction, limitation, or provision in  
21 writing by the donor that is consistent with the proper management  
22 of the district. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.14.)

23 Source Law

24 Sec. 5.14. On behalf of the district, the board  
25 may accept donations, gifts, and endowments to be held  
26 in trust for any purpose and under any direction,  
27 limitation, or provision prescribed in writing by the  
28 donor that is consistent with the proper management of  
29 the district.

30 Revisor's Note

31 Section 5.14, Chapter 137, Acts of the 70th  
32 Legislature, Regular Session, 1987, refers to  
33 "donations" and "gifts." The revised law omits the  
34 reference to "donations" as unnecessary because the  
35 term "donations" is included within the meaning of  
36 "gifts."

37 Revised Law

38 Sec. 1004.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
39 When a person who resides in the district is admitted as a patient  
40 to a district facility, the district administrator may have an  
41 inquiry made into the financial circumstances of:

- 42 (1) the patient; and

1 (2) a relative of the patient who is legally  
2 responsible for the patient's support.

3 (b) To the extent that the patient or a relative of the  
4 patient who is legally responsible for the patient's support cannot  
5 pay for care and treatment provided by the district, the district  
6 shall supply the care and treatment without charging the patient or  
7 the patient's relative.

8 (c) On determining that the patient or a relative legally  
9 responsible for the patient's support can pay for all or part of the  
10 care and treatment provided by the district, the district  
11 administrator shall report that determination to the board, and the  
12 board shall issue an order directing the patient or the relative to  
13 pay the district a specified amount each week. The amount must be  
14 based on the person's ability to pay.

15 (d) The district administrator may collect money owed to the  
16 district from the patient's estate or from that of a relative  
17 legally responsible for the patient's support in the manner  
18 provided by law for the collection of expenses in the last illness  
19 of a deceased person.

20 (e) If there is a dispute relating to a person's ability to  
21 pay or if the district administrator has any doubt concerning a  
22 person's ability to pay, the board shall call witnesses, hear and  
23 resolve the question, and issue a final order. The order may be  
24 appealed to a district court in the county in which the district is  
25 located. The substantial evidence rule applies to an appeal under  
26 this subsection. (Acts 70th Leg., R.S., Ch. 137, Secs. 5.11(b),  
27 (c), (d), (e), (f).)

28 Source Law

29 (b) If an individual residing in the district is  
30 admitted as a patient to a facility of the district,  
31 the administrator may have an inquiry made as to the  
32 patient's financial circumstances and as to financial  
33 circumstances of a relative of the patient who is  
34 legally responsible for the patient's support.

35 (c) On finding that the patient or a relative of  
36 the patient legally responsible for the patient's  
37 support can pay for all or any part of the care and  
38 treatment provided by the district, the administrator  
39 shall report that finding to the board, and the board  
40 shall issue an order directing the patient or the

1 relative to pay the district a specified sum each week  
2 based on the individual's ability to pay.

3 (d) The administrator may collect money owed to  
4 the district from the estate of the patient or from  
5 that of a relative who was legally responsible for the  
6 patient's support in the manner provided by law for  
7 collection of expenses in the last illness of a  
8 deceased person.

9 (e) To the extent that a patient or a relative of  
10 the patient legally responsible for the patient's  
11 support cannot pay for care and treatment provided by  
12 the district, the district shall supply that care and  
13 treatment without charging the patient or the  
14 patient's relative.

15 (f) If there is a dispute relating to an  
16 individual's ability to pay or if the administrator has  
17 any doubt concerning an individual's ability to pay,  
18 the board shall call witnesses, hear and resolve the  
19 question, and issue a final order. An appeal from a  
20 final order of the board must be made to a district  
21 court in the county in which the district is located  
22 and the substantial evidence rule applies.

### 23 Revised Law

24 Sec. 1004.113. REIMBURSEMENT FOR SERVICES. (a) The board  
25 shall require a county, municipality, or public hospital located  
26 outside of the district to reimburse the district for the  
27 district's care and treatment of a sick or injured person of that  
28 county, municipality, or hospital, as provided by Chapter 61,  
29 Health and Safety Code.

30 (b) The board shall require the sheriff of Runnels County to  
31 reimburse the district for the district's care and treatment of a  
32 person who is confined in a jail facility of Runnels County and is  
33 not a resident of the district.

34 (c) On behalf of the district, the board may contract with  
35 the state or federal government for that government to reimburse  
36 the district for treatment of a sick or injured person. (Acts 70th  
37 Leg., R.S., Ch. 137, Sec. 5.12.)

### 38 Source Law

39 Sec. 5.12. (a) The board shall require  
40 reimbursement from a county, city, or public hospital  
41 located outside the boundaries of the district for the  
42 district's care and treatment of a sick, diseased, or  
43 injured person of that county, city, or public  
44 hospital as provided by Chapter 61, Health and Safety  
45 Code.

46 (b) The board shall require reimbursement from  
47 the sheriff of Runnels County for the district's care  
48 and treatment of a person confined in a jail facility  
49 of Runnels County who is not a resident of the  
50 district.

51 (c) On behalf of the district, the board may  
52 contract with the state or federal government for the



1 state or federal government to reimburse the district  
2 for treatment of a sick, diseased, or injured person.

3 Revisor's Note

4 (1) Sections 5.12(a) and (c), Chapter 137, Acts  
5 of the 70th Legislature, Regular Session, 1987, refer  
6 to a "sick, diseased, or injured person." The revised  
7 law omits the references to "diseased" because it is  
8 included in the meaning of "sick."

9 (2) Section 5.12(a), Chapter 137, Acts of the  
10 70th Legislature, Regular Session, 1987, refers to  
11 "city." Throughout this chapter, the revised law  
12 substitutes "municipality" for "city" because in  
13 context the terms are equivalent, and "municipality"  
14 is the term used by the Local Government Code.

15 Revised Law

16 Sec. 1004.114. NONPROFIT CORPORATION. (a) The district  
17 may create and sponsor a nonprofit corporation under the Business  
18 Organizations Code and may contribute money to or solicit money for  
19 the corporation.

20 (a-1) On or before December 31, 2009, the district may  
21 create and sponsor a nonprofit corporation under the Texas  
22 Non-Profit Corporation Act (Article 1396-1.01, et seq., Vernon's  
23 Texas Civil Statutes) or the Business Organizations Code, as  
24 applicable, and may contribute money to or solicit money for the  
25 corporation.

26 (b) A corporation created under this section may use money  
27 contributed by the district only to provide health care or other  
28 services the district is authorized to provide under this chapter.

29 (c) The corporation may invest the corporation's money in  
30 any manner in which the district may invest the district's money,  
31 including investing money as authorized by Chapter 2256, Government  
32 Code.

33 (d) The board shall establish controls to ensure that the  
34 corporation uses its money as required by this section.

35 (e) This subsection and Subsection (a-1) expire December

1 31, 2009. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.19.)

2 Source Law

3 Sec. 4.19. The district may sponsor and create a  
4 nonprofit corporation under the Texas Non-Profit  
5 Corporation Act (Article 1396-1.01, et seq., Vernon's  
6 Texas Civil Statutes) and may contribute funds to or  
7 solicit funds for the corporation. The corporation  
8 may use funds paid by the district only to provide  
9 health care or other services the district is  
10 authorized to provide under this Act. The board shall  
11 establish adequate controls to ensure that the  
12 corporation uses its funds as required by this  
13 section. The corporation may invest corporation funds  
14 in any manner in which the district may invest funds,  
15 including investing funds as authorized by Chapter  
16 2256, Government Code.

17 Revisor's Note

18 Section 4.19, Chapter 137, Acts of the 70th  
19 Legislature, Regular Session, 1987, refers to the  
20 Texas Non-Profit Corporation Act. That act was  
21 codified in various chapters of the Business  
22 Organizations Code by Chapter 182, Acts of the 78th  
23 Legislature, Regular Session, 2003. The Business  
24 Organizations Code takes effect January 1, 2006, and  
25 applies only to domestic business entities formed on  
26 or after that date, to domestic business entities  
27 formed before that date that elect to have that code  
28 govern their operations, and to certain foreign  
29 business entities. On January 1, 2010, the Texas  
30 Non-Profit Corporation Act expires, and the Business  
31 Organizations Code will apply to all business entities  
32 without regard to date of formation or whether an  
33 entity is a foreign or domestic business entity. The  
34 revised law is drafted to reflect the applicability of  
35 these statutes in accordance with their effective  
36 dates or on election by a business entity.

37 Revised Law

38 Sec. 1004.115. AUTHORITY TO SUE AND BE SUED. The board may  
39 sue and be sued on behalf of the district. (Acts 70th Leg., R.S.,  
40 Ch. 137, Sec. 5.15.)

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Source Law

Sec. 5.15. The board may sue and be sued on behalf of the district.

Revised Law

Sec. 1004.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.07(a).)

Source Law

Sec. 5.07. (a) The board may enter into construction contracts on behalf of the district; however, the board may enter into construction contracts in excess of the amount provided by Section 271.024, Local Government Code, only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Revisor's Note  
(End of Subchapter)

(1) Section 5.01, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, requires the City of Ballinger to transfer land, buildings, improvements, equipment, and funds to the district on creation of the district. The revised law omits the provision as executed. The omitted law reads:

Sec. 5.01. On creation of the district, the city of Ballinger shall convey or transfer to the district:  
(1) title to land, buildings, improvements, and equipment related to the hospital system owned by the city of Ballinger;  
(2) operating funds and reserves for operating expenses and funds that have been budgeted by the city of Ballinger to provide medical care for residents of the district for the remainder of the fiscal year in which the district is established;  
(3) funds established for payment of indebtedness assumed by the district; and  
(4) accumulated employee health benefit funds, if applicable.

1           (2) Section 5.07(b), Chapter 137, Acts of the  
2           70th Legislature, Regular Session, 1987, provides that  
3           Chapter 2253, Government Code, applies to construction  
4           contracts of the district. The revised law omits this  
5           provision because Chapter 2253 applies to the district  
6           on its own terms. The omitted law reads:

7                     (b) Chapter 2253, Government Code, as  
8                     it relates to performance and payment  
9                     bonds, applies to construction contracts of  
10                    the district.

11           (3) Section 5.11(a), Chapter 137, Acts of the  
12           70th Legislature, Regular Session, 1987, provides that  
13           the district shall adopt an application procedure to  
14           determine eligibility as provided by Section 61.053,  
15           Health and Safety Code. The revised law omits this  
16           provision because it duplicates Section 61.053, Health  
17           and Safety Code, which applies to the district on its  
18           own terms. The omitted law reads:

19                     Sec. 5.11. (a) Not later than the  
20                     first day of each operating year, the  
21                     district shall adopt an application  
22                     procedure to determine eligibility for  
23                     assistance, as provided by Section 61.053,  
24                     Health and Safety Code.

25           [Sections 1004.117-1004.150 reserved for expansion]

26                                     SUBCHAPTER D. DISSOLUTION

27   Revised Law

28           Sec. 1004.151. DISSOLUTION; ELECTION. (a) The district  
29           may be dissolved only on approval of a majority of the voters voting  
30           in an election held for that purpose.

31           (b) The board may order an election on the question of  
32           dissolving the district and disposing of the district's assets and  
33           obligations.

34           (c) The board shall order an election if the board receives  
35           a petition requesting an election that is signed by at least 15  
36           percent of the district's registered voters.

37           (d) The election shall be held not later than the 60th day  
38           after the date the election is ordered.

1 (e) The order calling the election must state:

2 (1) the nature of the election, including the  
3 proposition that is to appear on the ballot;

4 (2) the date of the election;

5 (3) the hours during which the polls will be open; and

6 (4) the location of the polling places.

7 (f) Section 41.001, Election Code, does not apply to an  
8 election ordered under this section. (Acts 70th Leg., R.S., Ch.  
9 137, Secs. 11.01, 11.02, 11.03.)

10 Source Law

11 Sec. 11.01. (a) The district may be dissolved  
12 only if the dissolution is approved by a majority of  
13 the registered voters of the district voting in an  
14 election called and held for that purpose.

15 (b) The board may order an election on the  
16 question of dissolving the district and disposing of  
17 the district's assets and obligations.

18 (c) The board shall order an election if the  
19 board receives a petition requesting an election that  
20 is signed by a number of registered voters of the  
21 district equal to at least 15 percent of the registered  
22 voters in the district.

23 Sec. 11.02. The election shall be held not later  
24 than the 60th day after the date the election is  
25 ordered. Section 41.001, Election Code, does not apply  
26 to an election ordered under this article.

27 Sec. 11.03. The order calling the election  
28 shall state:

29 (1) the nature of the election, including  
30 the proposition that is to appear on the ballot;

31 (2) the date of the election;

32 (3) the hours during which the polls will  
33 be open; and

34 (4) the location of the polling places.

35 Revised Law

36 Sec. 1004.152. NOTICE OF ELECTION. (a) The board shall  
37 give notice of an election under this subchapter by publishing a  
38 substantial copy of the election order in a newspaper with general  
39 circulation in the district once a week for two consecutive weeks.

40 (b) The first publication must appear not later than the  
41 35th day before the date set for the election. (Acts 70th Leg.,  
42 R.S., Ch. 137, Sec. 11.04.)

43 Source Law

44 Sec. 11.04. The board shall give notice of the  
45 election by publishing a substantial copy of the  
46 election order in a newspaper with general circulation  
47 in the district once a week for two consecutive weeks.  
48 The first publication must appear not later than the

1 35th day before the date set for the election.

2 Revised Law

3 Sec. 1004.153. BALLOT. The ballot for an election under  
4 this subchapter must be printed to permit voting for or against the  
5 proposition: "The dissolution of the Ballinger Memorial Hospital  
6 District." (Acts 70th Leg., R.S., Ch. 137, Sec. 11.05.)

7 Source Law

8 Sec. 11.05. The ballot for the election shall be  
9 printed to permit voting for or against the  
10 proposition: "The dissolution of the Ballinger  
11 Memorial Hospital District."

12 Revised Law

13 Sec. 1004.154. ELECTION RESULTS. (a) If a majority of the  
14 votes in an election under this subchapter favor dissolution, the  
15 board shall order that the district be dissolved.

16 (b) If a majority of the votes in an election under this  
17 subchapter do not favor dissolution, the board shall continue to  
18 administer the district, and another election on the question of  
19 dissolution may not be held before the first anniversary of the date  
20 of the most recent election to dissolve the district. (Acts 70th  
21 Leg., R.S., Ch. 137, Sec. 11.06.)

22 Source Law

23 Sec. 11.06. If a majority of the votes in the  
24 election favor dissolution, the board shall order that  
25 the district be dissolved. If a majority of the votes  
26 in the election do not favor dissolution, the board  
27 shall continue to administer the district, and another  
28 election on the question of dissolution may not be held  
29 before the first anniversary of the most recent  
30 election to dissolve the district.

31 Revised Law

32 Sec. 1004.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
33 If a majority of the votes in an election under this subchapter  
34 favor dissolution, the board shall:

35 (1) transfer the land, buildings, improvements,  
36 equipment, and other assets belonging to the district to Runnels  
37 County or another governmental entity in Runnels County; or

38 (2) administer the property, assets, and debts of the  
39 district until all money has been disposed of and all district debts  
40 have been paid or settled.

1 (b) If the district makes a transfer under Subsection  
2 (a)(1), the county or governmental entity assumes all debts and  
3 obligations of the district at the time of the transfer. The  
4 district is dissolved at the time of the transfer.

5 (c) If the district administers the property, assets, and  
6 debts of the district under Subsection (a)(2), the district is  
7 dissolved when all money has been disposed of and all district debts  
8 have been paid or settled. (Acts 70th Leg., R.S., Ch. 137, Secs.  
9 11.07, 11.08(a).)

10 Source Law

11 Sec. 11.07. (a) If a majority of the votes in  
12 the election favor dissolution, the board shall:

13 (1) transfer the land, buildings,  
14 improvements, equipment, and other assets belonging to  
15 the district to a county or another governmental  
16 entity in the county in which the district is located;  
17 or

18 (2) administer the property, assets, and  
19 debts of the district until all funds have been  
20 disposed of and all district debts have been paid or  
21 settled.

22 (b) If the district transfers the land,  
23 buildings, improvements, equipment, and other assets  
24 to a county or other governmental entity, the county or  
25 entity assumes all debts and obligations of the  
26 district at the time of the transfer, at which time the  
27 district is dissolved.

28 Sec. 11.08. (a) If the district does not  
29 transfer the land, buildings, improvements,  
30 equipment, and other assets to a county or other  
31 governmental entity, the board shall administer the  
32 property, assets, and debts of the district until all  
33 funds have been disposed of and all district debts have  
34 been paid or settled, at which time the district is  
35 dissolved.

36 Revised Law

37 Sec. 1004.156. IMPOSITION OF TAX AND RETURN OF SURPLUS  
38 TAXES. (a) After the board determines that the district is  
39 dissolved, the board shall:

40 (1) determine the debt owed by the district; and

41 (2) impose on the property included in the district's  
42 tax rolls a tax that is in proportion of the debt to the property  
43 value.

44 (b) On the payment of all outstanding debts and obligations  
45 of the district, the board shall order the secretary to return to  
46 each district taxpayer the taxpayer's pro rata share of all unused

1 tax money.

2 (c) A taxpayer may request that the taxpayer's share of  
3 surplus tax money be credited to the taxpayer's county taxes. If a  
4 taxpayer requests the credit, the board shall direct the secretary  
5 to transmit the funds to the county tax assessor-collector. (Acts  
6 70th Leg., R.S., Ch. 137, Secs. 11.08(b), 11.09.)

7 Source Law

8 [Sec. 11.08]

9 (b) After the board finds that the district is  
10 dissolved, the board shall:

11 (1) determine the debt owed by the  
12 district; and

13 (2) impose on the property included in the  
14 district's tax rolls a tax that is in proportion of the  
15 debt to the property value.

16 Sec. 11.09. (a) When all outstanding debts and  
17 obligations of the district are paid, the board shall  
18 order the secretary to return to each district  
19 taxpayer the taxpayer's pro rata share of all unused  
20 tax money.

21 (b) A taxpayer may request that the taxpayer's  
22 share of surplus tax money be credited to the  
23 taxpayer's county taxes. If a taxpayer requests the  
24 credit, the board shall direct the secretary to  
25 transmit the funds to the county tax  
26 assessor-collector.

27 Revised Law

28 Sec. 1004.157. REPORT; DISSOLUTION ORDER. (a) After the  
29 district has paid all its debts and has disposed of all its money  
30 and other assets as prescribed by this subchapter, the board shall  
31 file a written report with the Commissioners Court of Runnels  
32 County summarizing the board's actions in dissolving the district.

33 (b) Not later than the 10th day after the date the  
34 Commissioners Court of Runnels County receives the report and  
35 determines that the requirements of this subchapter have been  
36 fulfilled, the commissioners court shall enter an order dissolving  
37 the district and releasing the board from any further duty or  
38 obligation. (Acts 70th Leg., R.S., Ch. 137, Sec. 11.10.)

39 Source Law

40 Sec. 11.10. (a) After the district has paid  
41 all its debts and has disposed of all its assets and  
42 funds as prescribed by this article, the board shall  
43 file a written report with the Commissioners Court of  
44 Runnels County setting forth a summary of the board's  
45 actions in dissolving the district.

46 (b) Not later than the 10th day after the date it  
47 receives the report and determines that the



1 requirements of this article have been fulfilled, the  
2 Commissioners Court of Runnels County shall enter an  
3 order dissolving the district and releasing the board  
4 from any further duty or obligation.

5 [Sections 1004.158-1004.200 reserved for expansion]

6 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

7 Revised Law

8 Sec. 1004.201. BUDGET. (a) The district administrator  
9 shall prepare a proposed annual budget for the district.

10 (b) The proposed budget must contain a complete financial  
11 statement, including a statement of:

12 (1) the outstanding obligations of the district;

13 (2) the amount of cash on hand to the credit of each  
14 fund of the district;

15 (3) the amount of money received by the district from  
16 all sources during the previous year;

17 (4) the amount of money available to the district from  
18 all sources during the ensuing year;

19 (5) the amount of the balances expected at the end of  
20 the year in which the budget is being prepared;

21 (6) the estimated amount of revenues and balances  
22 available to cover the proposed budget; and

23 (7) the estimated tax rate required. (Acts 70th Leg.,  
24 R.S., Ch. 137, Sec. 6.04.)

25 Source Law

26 Sec. 6.04. (a) The administrator of the  
27 district shall prepare a proposed annual budget for  
28 the district.

29 (b) The proposed budget must contain a complete  
30 financial statement, including a statement of:

31 (1) the outstanding obligations of the  
32 district;

33 (2) the amount of cash on hand to the  
34 credit of each fund of the district;

35 (3) the amount of money received by the  
36 district from all sources during the previous year;

37 (4) the amount of money available to the  
38 district from all sources during the ensuing year;

39 (5) the amount of the balances expected at  
40 the end of the year in which the budget is being  
41 prepared;

42 (6) the estimated amount of revenues and  
43 balances available to cover the proposed budget; and

44 (7) the estimated tax rate that will be  
45 required.

1 Revised Law

2 Sec. 1004.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
3 The board shall hold a public hearing on the proposed budget.

4 (b) The board shall publish notice of the hearing in a  
5 newspaper with general circulation in the district not later than  
6 the 10th day before the date of the hearing.

7 (c) Any district resident is entitled to be present and  
8 participate at the hearing.

9 (d) At the conclusion of the hearing, the board shall adopt  
10 a budget by acting on the budget proposed by the district  
11 administrator. The board may make a change in the proposed budget  
12 that the board determines to be in the interests of the taxpayers.

13 (e) The budget is effective only after adoption by the  
14 board. (Acts 70th Leg., R.S., Ch. 137, Sec. 6.05.)

15 Source Law

16 Sec. 6.05. (a) The board shall hold a public  
17 hearing on the proposed annual budget.

18 (b) The board shall publish notice of the  
19 hearing in a newspaper with general circulation in the  
20 district not later than the 10th day before the date of  
21 the hearing.

22 (c) Any resident of the district is entitled to  
23 be present and participate at the hearing.

24 (d) At the conclusion of the hearing, the board  
25 shall adopt a budget by acting on the budget proposed  
26 by the administrator. The board may make any changes  
27 in the proposed budget that in its judgment the  
28 interests of the taxpayers demand.

29 (e) The budget is effective only after adoption  
30 by the board.

31 Revised Law

32 Sec. 1004.203. AMENDMENT OF BUDGET. After the budget is  
33 adopted, the budget may be amended on the board's approval. (Acts  
34 70th Leg., R.S., Ch. 137, Sec. 6.06.)

35 Source Law

36 Sec. 6.06. After adoption, the annual budget  
37 may be amended on the board's approval.

38 Revised Law

39 Sec. 1004.204. FISCAL YEAR. (a) The district operates  
40 according to a fiscal year established by the board.

41 (b) The fiscal year may not be changed:

42 (1) during a period in which revenue bonds of the

1 district are outstanding; or

2 (2) more than once in a 24-month period. (Acts 70th  
3 Leg., R.S., Ch. 137, Sec. 6.01.)

4 Source Law

5 Sec. 6.01. (a) The district is operated on the  
6 basis of a fiscal year established by the board.

7 (b) The fiscal year may not be changed during a  
8 period that revenue bonds of the district are  
9 outstanding or more than once in a 24-month period.

10 Revised Law

11 Sec. 1004.205. ANNUAL AUDIT. The board shall have an annual  
12 audit made of the financial condition of the district. (Acts 70th  
13 Leg., R.S., Ch. 137, Sec. 6.02.)

14 Source Law

15 Sec. 6.02. Annually, the board shall have an  
16 audit made of the financial condition of the district.

17 Revised Law

18 Sec. 1004.206. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
19 RECORDS. The annual audit and other district records are open to  
20 inspection during regular business hours at the principal office of  
21 the district. (Acts 70th Leg., R.S., Ch. 137, Sec. 6.03.)

22 Source Law

23 Sec. 6.03. The annual audit and other district  
24 records shall be open to inspection during regular  
25 business hours at the principal office of the  
26 district.

27 Revised Law

28 Sec. 1004.207. FINANCIAL REPORT. As soon as practicable  
29 after the close of each fiscal year, the district administrator  
30 shall prepare for the board a sworn statement of the amount of  
31 district money and an account of the disbursement of that money.  
32 (Acts 70th Leg., R.S., Ch. 137, Sec. 6.08.)

33 Source Law

34 Sec. 6.08. As soon as practicable after the  
35 close of the fiscal year, the administrator shall  
36 prepare for the board a sworn statement of the amount  
37 of money that belongs to the district and an account of  
38 the disbursement of that money.

39 Revised Law

40 Sec. 1004.208. SHORT-TERM FINANCING. The district may

1 borrow money through short-term financing. (Acts 70th Leg., R.S.,  
2 Ch. 137, Sec. 6.07.)

3 Source Law

4 Sec. 6.07. Money may be borrowed through  
5 short-term financing.

6 Revised Law

7 Sec. 1004.209. DEBT LIMITATION. Except as provided by  
8 Chapter 1207, Government Code, and Sections 1004.116, 1004.251, and  
9 1004.254, the district may not incur a debt payable from district  
10 revenue other than revenue available in the current fiscal year and  
11 the immediately following fiscal year of the district. (Acts 70th  
12 Leg., R.S., Ch. 137, Sec. 6.09(a).)

13 Source Law

14 Sec. 6.09. (a) Except as provided by Subsection  
15 (a) of Section 5.07 and by Sections 7.01, 7.04, and  
16 7.05 of this Act, the district may not incur a debt  
17 payable from revenues of the district other than the  
18 revenues on hand or to be on hand in the current and  
19 immediately following fiscal years of the district.

20 Revisor's Note

21 Section 6.09(a), Chapter 137, Acts of the 70th  
22 Legislature, Regular Session, 1987, refers to Section  
23 7.05 of that act. The revised law substitutes a  
24 reference to Chapter 1207, Government Code, for the  
25 reason provided by Revisor's Note (1) to the end of  
26 Subchapter F.

27 Revised Law

28 Sec. 1004.210. DEPOSITORY. (a) The board shall select at  
29 least one bank to serve as a depository for district money.

30 (b) The board may solicit bids from local financial  
31 institutions to determine which institution may serve as a  
32 depository for district money.

33 (c) District money, other than money invested as provided by  
34 Section 1004.211 and money transmitted to a bank for payment of  
35 bonds or obligations issued or assumed by the district, shall be  
36 deposited as received with the depository bank and shall remain on  
37 deposit. This subsection does not limit the board's power to place

1 part of the district's money on time deposit or to purchase  
2 certificates of deposit.

3 (d) The district may deposit money with a bank in an amount  
4 that exceeds the maximum amount secured by the Federal Deposit  
5 Insurance Corporation only if the bank first executes a bond or  
6 other security in an amount sufficient to secure from loss the  
7 district money that exceeds the amount secured by the Federal  
8 Deposit Insurance Corporation. (Acts 70th Leg., R.S., Ch. 137,  
9 Sec. 6.10.)

10 Source Law

11 Sec. 6.10. (a) The board shall name at least  
12 one bank to serve as the depository for district funds.

13 (b) The board may solicit bids from local  
14 financial institutions to determine which institution  
15 is to serve as the depository for district funds.

16 (c) District funds, other than those invested as  
17 provided by Subsection (b) of Section 6.09 of this Act  
18 and those transmitted to a bank of payment for bonds or  
19 obligations issued or assumed by the district, shall  
20 be deposited as received with the depository bank and  
21 must remain on deposit. This subsection does not limit  
22 the power of the board to place a portion of the  
23 district's funds on time deposit or to purchase  
24 certificates of deposit.

25 (d) Before the district deposits funds in a bank  
26 in an amount that exceeds the maximum amount secured by  
27 the Federal Deposit Insurance Corporation, the bank  
28 must execute a bond or other security in an amount  
29 sufficient to secure from loss the district funds that  
30 exceed the amount secured by the Federal Deposit  
31 Insurance Corporation.

32 Revised Law

33 Sec. 1004.211. RESTRICTION ON INVESTMENT. The board may  
34 invest operating, depreciation, or building reserves only in funds  
35 or securities specified by Chapter 2256, Government Code. (Acts  
36 70th Leg., R.S., Ch. 137, Sec. 6.09(b).)

37 Source Law

38 (b) The board may not invest operating,  
39 depreciation, or building reserves in funds or  
40 securities other than those specified by Article 836  
41 or 837, Revised Statutes.

42 Revisor's Note

43 Section 6.09(b), Chapter 137, Acts of the 70th  
44 Legislature, Regular Session, 1987, prohibits the  
45 board from investing reserves in funds or securities  
46 not specified by Article 836 or 837, Revised Statutes.

1 Articles 836 and 837 were impliedly repealed by the  
2 Public Funds Investment Act of 1987 (Article 842a-2,  
3 Vernon's Texas Civil Statutes), which was revised in  
4 1993 as Chapter 2256, Government Code. Chapter 2256  
5 defines "local government" to include hospital  
6 districts and applies to the district by its own terms.  
7 The revised law therefore substitutes a reference to  
8 Chapter 2256, Government Code, for the reference to  
9 Articles 836 and 837.

10 [Sections 1004.212-1004.250 reserved for expansion]

11 SUBCHAPTER F. BONDS

12 Revised Law

13 Sec. 1004.251. GENERAL OBLIGATION BONDS. If authorized by  
14 an election, the board may issue and sell general obligation bonds  
15 in the name and on the faith and credit of the district to:

16 (1) purchase, construct, acquire, repair, or renovate  
17 buildings or improvements;

18 (2) equip buildings or improvements for hospital  
19 purposes; or

20 (3) acquire and operate a mobile emergency medical  
21 service. (Acts 70th Leg., R.S., Ch. 137, Sec. 7.01.)

22 Source Law

23 Sec. 7.01. If authorized by an election, the  
24 board may issue and sell bonds in the name and on the  
25 faith and credit of the hospital district to:

26 (1) purchase, construct, acquire, repair,  
27 or renovate buildings or improvements;

28 (2) equip buildings or improvements for  
29 hospital purposes; or

30 (3) acquire and operate a mobile emergency  
31 medical service.

32 Revised Law

33 Sec. 1004.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
34 the time general obligation bonds are issued by the district under  
35 Section 1004.251, the board shall impose an ad valorem tax in an  
36 amount sufficient to create an interest and sinking fund to pay the  
37 principal of and interest on the bonds as the bonds mature.

38 (b) The tax required by this section together with any other

1 tax the district imposes in any year may not exceed the limit  
2 approved by the voters at the election authorizing the imposition  
3 of taxes. (Acts 70th Leg., R.S., Ch. 137, Sec. 7.02.)

4 Source Law

5 Sec. 7.02. (a) At the time the bonds are issued  
6 by the district, the board shall levy a tax.

7 (b) The tax must be sufficient to create an  
8 interest and sinking fund to pay the principal of and  
9 interest on the bonds as they mature.

10 (c) In any year, the tax together with any other  
11 tax the district levies may not exceed the limit  
12 approved by the voters at the election authorizing the  
13 levy of taxes.

14 Revisor's Note

15 Section 7.02, Chapter 137, Acts of the 70th  
16 Legislature, Regular Session, 1987, refers to the  
17 district's duty to "levy" taxes. Throughout the  
18 chapter, the revised law substitutes "impose" for  
19 "levy" because "impose" is the term generally used in  
20 Title 1, Tax Code, and includes the levying of a tax.  
21 In addition, the revised law specifies that the tax is  
22 an "ad valorem" tax because it is clear from the source  
23 law that it is a property tax and "ad valorem" is the  
24 term most commonly used in relation to a property tax.

25 Revised Law

26 Sec. 1004.253. GENERAL OBLIGATION BOND ELECTION. (a) The  
27 district may issue general obligation bonds only if the bonds are  
28 authorized by a majority of the voters voting in an election held  
29 for that purpose.

30 (b) The board may order a bond election. The order calling  
31 the election must specify:

- 32 (1) the nature and date of the election;  
33 (2) the hours during which the polls will be open;  
34 (3) the location of polling places;  
35 (4) the amounts of the bonds to be authorized; and  
36 (5) the maximum maturity of the bonds.

37 (c) Notice of a bond election must be given as provided by  
38 Chapter 1251, Government Code.

1 (d) The board shall declare the results of the election.  
2 (Acts 70th Leg., R.S., Ch. 137, Sec. 7.03.)

3 Source Law

4 Sec. 7.03. (a) The district may not issue  
5 general obligation bonds until the bonds are  
6 authorized by a majority of the qualified voters of the  
7 district voting at an election called and held for that  
8 purpose.

9 (b) The board may order a bond election. The  
10 order calling the election must state the nature and  
11 date of the election, the hours during which the polls  
12 will be open, the location of polling places, the  
13 amounts of bonds to be authorized, and the maximum  
14 maturity of the bonds.

15 (c) Notice of a bond election shall be given as  
16 provided by Chapter 1251, Government Code.

17 (d) The board shall canvass the returns and  
18 declare the results of the election.

19 Revisor's Note

20 (1) Section 7.03(a), Chapter 137, Acts of the  
21 70th Legislature, Regular Session, 1987, refers to  
22 "qualified" voters "of the district." The revised law  
23 omits the quoted language as unnecessary in this  
24 context because Chapter 11, Election Code, governs  
25 eligibility to vote in an election in this state and  
26 allows only "qualified voters" who are residents of  
27 the territory covered by the election to vote in an  
28 election.

29 (2) Section 7.03(a), Chapter 137, Acts of the  
30 70th Legislature, Regular Session, 1987, provides that  
31 the district may not issue general obligation bonds  
32 until authorized by an election "called and held" for  
33 that purpose. Throughout this chapter, the revised  
34 law omits references to "calling" an election because,  
35 in this context, "calling" an election is included  
36 within the meaning of "holding" an election. Under  
37 Chapter 3, Election Code, all elections must be  
38 ordered (called) before they may be held.

39 (3) Section 7.03(d), Chapter 137, Acts of the  
40 70th Legislature, Regular Session, 1987, provides that  
41 "[t]he board shall canvass the returns" of a bond



1 election. The revised law omits this requirement  
2 because it duplicates Section 67.002, Election Code,  
3 which requires the governing body of a political  
4 subdivision that orders an election to canvass the  
5 returns.

6 Revised Law

7 Sec. 1004.254. REVENUE BONDS. (a) The board may issue  
8 revenue bonds to:

9 (1) acquire, purchase, construct, repair, renovate,  
10 or equip buildings or improvements for hospital purposes;

11 (2) acquire sites to be used for hospital purposes; or

12 (3) acquire and operate a mobile emergency medical  
13 service to assist the district in carrying out its hospital  
14 purposes.

15 (b) The bonds must be payable from and secured by a pledge of  
16 all or part of the revenues derived from the operation of the  
17 district's hospital system.

18 (c) The bonds may be additionally secured by a mortgage or  
19 deed of trust lien on all or part of the district property.

20 (d) The bonds must be issued in the manner provided by  
21 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
22 Code, for issuance of revenue bonds by county hospital authorities.

23 (Acts 70th Leg., R.S., Ch. 137, Sec. 7.04.)

24 Source Law

25 Sec. 7.04. (a) The board may issue revenue  
26 bonds to:

27 (1) purchase, construct, acquire, repair,  
28 equip, or renovate buildings or improvements for  
29 hospital purposes;

30 (2) acquire sites to be used for hospital  
31 purposes; or

32 (3) acquire and operate a mobile emergency  
33 medical service to assist the district in carrying out  
34 its hospital purposes.

35 (b) The bonds must be payable from and secured  
36 by a pledge of all or part of the revenues derived from  
37 the operation of the district's hospital system. The  
38 bonds may be additionally secured by a mortgage or deed  
39 of trust lien on all or part of district property.

40 (c) The bonds must be issued in the manner  
41 provided by Sections 264.042, 264.043, and  
42 264.046-264.049, Health and Safety Code, for issuance  
43 of revenue bonds by county hospital authorities.

1 Revised Law

2 Sec. 1004.255. MATURITY. District bonds must mature not  
3 later than 50 years after the date of their issuance. (Acts 70th  
4 Leg., R.S., Ch. 137, Sec. 7.06 (part).)

5 Source Law

6 Sec. 7.06. District bonds must mature not later  
7 than 50 years after the date of their issuance and  
8 . . . .

9 Revisor's Note

10 Section 7.06, Chapter 137, Acts of the 70th  
11 Legislature, Regular Session, 1987, provides in part  
12 that district bonds must bear an interest rate that  
13 does not exceed the rate provided by Chapter 1204,  
14 Government Code. The revised law omits the provision  
15 as unnecessary because Section 1204.006, Government  
16 Code, permits a public agency, including a hospital  
17 district, to issue public securities at any net  
18 effective interest rate of 15 percent or less. Section  
19 1204.001, Government Code, provides that Chapter 1204,  
20 including Section 1204.006, applies to hospital  
21 districts. The omitted law reads:

22 Sec. 7.06. . . . [District bonds]  
23 . . . must bear interest at a rate not to  
24 exceed that provided by Chapter 1204,  
25 Government Code.

26 Revised Law

27 Sec. 1004.256. EXECUTION OF BONDS. (a) The board president  
28 shall execute district bonds in the district's name.

29 (b) The board secretary shall countersign the bonds in the  
30 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,  
31 R.S., Ch. 137, Sec. 7.07.)

32 Source Law

33 Sec. 7.07. The president of the board shall  
34 execute the bonds in the name of the district, and the  
35 secretary of the board shall countersign the bonds in  
36 the manner provided by Chapter 618, Government Code.

37 Revised Law

38 Sec. 1004.257. BONDS NOT SUBJECT TO TAXATION. The

1 following are not subject to taxation by the state or by a political  
2 subdivision of the state:

- 3 (1) bonds issued by the district;
- 4 (2) any transaction relating to the bonds; and
- 5 (3) profits made in the sale of the bonds. (Acts 70th  
6 Leg., R.S., Ch. 137, Sec. 7.11 (part).)

7 Source Law

8 Sec. 7.11. . . . bonds issued by the district,  
9 any transaction relating to the bonds, and profits  
10 made in the sale of the bonds are free from taxation by  
11 the state or by any city, county, special district, or  
12 other political subdivision of the state.

13 Revisor's Note  
14 (End of Subchapter)

15 (1) Section 7.05, Chapter 137, Acts of the 70th  
16 Legislature, Regular Session, 1987, provides for the  
17 issuance of refunding bonds to pay off outstanding  
18 indebtedness of the district. The revised law omits  
19 this provision as unnecessary because Chapter 1207,  
20 Government Code, provides general authority for an  
21 issuer, including a hospital district, to issue  
22 refunding securities and prescribes procedures  
23 applicable to the securities. The omitted law reads:

24 Sec. 7.05. (a) Refunding bonds of  
25 the district may be issued to refund and pay  
26 off an outstanding indebtedness the  
27 district has issued or assumed.

28 (b) The bonds must be issued in the  
29 manner provided by Chapter 1207, Government  
30 Code.

31 (2) Section 7.08, Chapter 137, Acts of the 70th  
32 Legislature, Regular Session, 1987, provides that  
33 district bonds are subject to the law governing county  
34 bonds that requires approval of the bonds by the  
35 attorney general and registration of the bonds by the  
36 comptroller. Section 7.08 also states that after  
37 approval and registration, the bonds are  
38 "incontestable for any cause." The revised law omits  
39 these provisions as superseded by Chapter 1202,  
40 Government Code (enacted as Article 3, Chapter 53,

1 Acts of the 70th Legislature, 2nd Called Session,  
2 1987). Section 1202.003(a), Government Code, requires  
3 that bonds be submitted to the attorney general.  
4 Section 1202.003(b), Government Code, provides for  
5 approval of the bonds by the attorney general and  
6 requires the attorney general to submit the approved  
7 bonds to the comptroller for registration. Section  
8 1202.005, Government Code, requires registration of  
9 the bonds by the comptroller. Section 1202.006,  
10 Government Code, provides that after approval and  
11 registration, the bonds are incontestable and binding  
12 obligations. Chapter 1202, Government Code, applies  
13 to bonds issued under this chapter by application of  
14 Section 1202.001, Government Code. The omitted law  
15 reads:

16           Sec. 7.08. (a) District bonds are  
17 subject to the same requirements with  
18 regard to approval by the attorney general  
19 and registration by the comptroller of  
20 public accounts as the law provides for  
21 approval and registration of bonds issued  
22 by counties.

23           (b) On approval by the attorney  
24 general and registration by the comptroller  
25 of public accounts, the bonds are  
26 incontestable for any cause.

27           (3) Section 7.09, Chapter 137, Acts of the 70th  
28 Legislature, Regular Session, 1987, provides that  
29 bonds issued under that act are legal and authorized  
30 investments for certain entities. The revised law  
31 omits the provision as unnecessary. Section 7.09  
32 provides that revenue bonds are legal and authorized  
33 investments for banks, savings banks, trust companies,  
34 savings and loan associations, insurance companies,  
35 fiduciaries, trustees, guardians, and sinking funds of  
36 cities, counties, school districts, and other  
37 political subdivisions of the state. As to several of  
38 the entities listed, Section 7.09 has been superseded  
39 and impliedly repealed. Investments in securities by

1 banks are regulated by Section 34.101, Finance Code  
2 (enacted in 1995 as Section 5.101, Texas Banking Act  
3 (Article 342-5.101, Vernon's Texas Civil Statutes)).  
4 Investments in securities by savings banks are  
5 regulated by Section 93.001(c)(10), Finance Code  
6 (enacted in 1993 as Section 7.15(10), Texas Savings  
7 Bank Act (Article 489e, Vernon's Texas Civil  
8 Statutes)). Investments in securities by trust  
9 companies are regulated by Section 184.101, Finance  
10 Code (enacted in 1997 as Section 5.101, Texas Trust  
11 Company Act (Article 342a-5.101, Vernon's Texas Civil  
12 Statutes)). Investments in securities by savings and  
13 loan associations are regulated by Sections 63.002 and  
14 64.001, Finance Code. As to the remaining entities  
15 listed, Section 7.09 duplicates Section 1201.041,  
16 Government Code. Section 1201.041, Government Code,  
17 applies to bonds issued under this chapter by  
18 application of Section 1201.002, Government Code. The  
19 revised law omits the reference to sinking funds of  
20 this state because it has been superseded by Section  
21 404.024, Government Code (enacted in 1985 as Section  
22 2.014, Treasury Act (Article 4393-1, Vernon's Texas  
23 Civil Statutes)), which governs the investment of  
24 state funds. Section 404.024(b)(10), Government Code,  
25 authorizes the investment of state funds in  
26 obligations of political subdivisions, including  
27 hospital districts. The omitted law reads:

28                   Sec. 7.09. District bonds and  
29                   indebtedness assumed by the district are  
30                   legal and authorized investments for:  
31                   (1) banks;  
32                   (2) savings banks;  
33                   (3) trust companies;  
34                   (4) savings and loan  
35                   associations;  
36                   (5) insurance companies;  
37                   (6) fiduciaries;  
38                   (7) trustees;  
39                   (8) guardians; and  
40                   (9) sinking funds of cities,  
41                   counties, school districts, and other

1 political subdivisions of the state and  
2 other public funds of the state and its  
3 agencies, including the permanent school  
4 fund.

5 (4) Section 7.10, Chapter 137, Acts of the 70th  
6 Legislature, Regular Session, 1987, provides that  
7 bonds issued under that act may secure deposits of  
8 public funds of the state or political subdivisions of  
9 the state. The revised law omits the provision as  
10 impliedly repealed by Section 404.0221, Government  
11 Code (enacted in 1995), which lists eligible  
12 collateral for deposits of state funds by the  
13 comptroller, and by Chapter 2257, Government Code  
14 (enacted in 1989 as Article 2529d, Vernon's Texas Civil  
15 Statutes), which governs eligible collateral for  
16 deposits of funds of other public agencies, including  
17 political subdivisions. The omitted law reads:

18 Sec. 7.10. District bonds are  
19 eligible to secure deposits of public funds  
20 of the state and of the cities, counties,  
21 school districts, and other political  
22 subdivisions of the state. The bonds are  
23 lawful and sufficient security for deposits  
24 to the extent of their value if accompanied  
25 by all unmatured coupons.

26 [Sections 1004.258-1004.300 reserved for expansion]

27 SUBCHAPTER G. AD VALOREM TAX

28 Revised Law

29 Sec. 1004.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
30 shall impose a tax on all property in the district subject to  
31 hospital district taxation.

32 (b) The tax may be used to pay:

- 33 (1) indebtedness issued or assumed by the district;  
34 and  
35 (2) the maintenance and operating expenses of the  
36 district.

37 (c) The district may not impose a tax to pay the principal of  
38 or interest on revenue bonds issued under this chapter. (Acts 70th  
39 Leg., R.S., Ch. 137, Secs. 8.01(c), (d), 8.02(b).)

1 Source Law

2 [Sec. 8.01]

3 (c) The taxes may be used to pay:  
4 (1) the indebtedness issued or assumed by  
5 the district; and  
6 (2) the maintenance and operating expenses  
7 of the district.

8 (d) The district may not levy taxes to pay the  
9 principal of or interest on revenue bonds issued under  
10 this Act.

11 [Sec. 8.02]

12 (b) The board shall levy taxes on all property  
13 in the district subject to hospital district taxation.

14 Revised Law

15 Sec. 1004.302. TAX RATE. (a) The board may impose an  
16 annual tax at a rate not to exceed the limit approved by the voters  
17 at the election authorizing the imposition of a tax.

18 (b) The tax rate on all taxable property in the district for  
19 all purposes may not exceed 75 cents on each \$100 valuation of the  
20 property according to the most recent certified tax appraisal roll  
21 of the district.

22 (c) In setting the tax rate, the board shall consider  
23 district income from sources other than taxation. (Acts 70th Leg.,  
24 R.S., Ch. 137, Secs. 8.01(a), (b), 8.03 (part).)

25 Source Law

26 Sec. 8.01. (a) The board may annually levy  
27 taxes in an amount not to exceed the limit approved by  
28 the voters at the election authorizing the levy of  
29 taxes.

30 (b) The tax rate for all purposes may not exceed  
31 75 cents on each \$100 valuation of all taxable property  
32 in the district.

33 Sec. 8.03. In setting the tax rate, the board  
34 shall take into consideration the income of the  
35 district from sources other than taxation. . . .

36 Revisor's Note

37 Section 8.03, Chapter 137, Acts of the 70th  
38 Legislature, Regular Session, 1987, in part requires  
39 the district board to certify the tax rate to the tax  
40 assessor-collector. The revised law omits that  
41 provision because Section 26.01, Tax Code, requires  
42 the chief appraiser of an appraisal district to  
43 certify to the tax assessor of each taxing unit that

1 has property in the appraisal district an appraisal  
2 roll that lists the properties taxable by that taxing  
3 unit and the value of those properties. The omitted  
4 law reads:

5                   Sec. 8.03. . . . On determination of  
6 the amount of tax required to be levied, the  
7 board shall make the levy and certify it to  
8 the tax assessor-collector.

9                                   Revised Law

10           Sec. 1004.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
11 The board may order an election to increase the maximum tax rate of  
12 the district to an amount not to exceed 75 cents on each \$100  
13 valuation of the taxable property in the district.

14           (b) The board shall order an election to increase the  
15 maximum tax rate of the district on presentation of a petition that:

16                   (1) requests the election;

17                   (2) states the maximum tax rate to be voted on at the  
18 election; and

19                   (3) is signed by at least 100 registered voters of the  
20 district as determined by the most recent official list of  
21 registered voters.

22           (c) The board by order shall set a time and place to hold a  
23 hearing on the petition. The board shall set a date for the hearing  
24 that is not earlier than the 11th day after the date the board  
25 issues the order.

26           (d) If, after the hearing, the board determines that the  
27 petition is in proper form and that an increase of the maximum tax  
28 rate would benefit the district, the board shall order an election  
29 to authorize the increase of the maximum tax rate to the tax rate  
30 stated in the petition.

31           (e) The election order must state:

32                   (1) the nature of the election, including the  
33 proposition that is to appear on the ballot;

34                   (2) the maximum tax rate to be voted on at the  
35 election;

36                   (3) the date of the election;



1 (4) the hours during which the polls will be open; and

2 (5) the location of the polling places.

3 (f) The election shall be held not earlier than the 45th day  
4 and not later than the 60th day after the date the election is  
5 ordered.

6 (g) Section 41.001(a), Election Code, does not apply to an  
7 election ordered under this subchapter. (Acts 70th Leg., R.S., Ch.  
8 137, Secs. 10.01, 10.02, 10.04.)

9 Source Law

10 Sec. 10.01. (a) The board may order an  
11 election to raise the maximum tax rate of the district,  
12 not to exceed 75 cents on each \$100 of valuation on all  
13 taxable property in the district.

14 (b) On presentation of a petition for an  
15 election to raise the maximum tax rate of the district  
16 signed by at least 100 registered voters of the  
17 district, according to the most recent official list  
18 of registered voters, the board shall order an  
19 election to be held. The petition must state the  
20 maximum tax rate to be voted on at the election, which  
21 may not exceed 75 cents on each \$100 of valuation on  
22 all taxable property in the district. The board by  
23 order shall set a time and place to hold a hearing on  
24 the petition to increase the maximum tax rate of the  
25 district. The board shall set a date for the hearing  
26 that is after the 10th day after the date the board  
27 issues the order. If, after the hearing, the board  
28 finds that the petition is in proper form and that an  
29 increase of the maximum tax rate would benefit the  
30 district, the board shall order an election to  
31 authorize the increase of the maximum tax rate of the  
32 district to the tax rate stated in the petition.

33 Sec. 10.02. The order calling the election must  
34 state:

35 (1) the nature of the election, including  
36 the proposition that is to appear on the ballot,  
37 including the maximum tax rate to be voted on at the  
38 election, which may not exceed 75 cents on each \$100 of  
39 valuation on all taxable property in the district;

40 (2) the date of the election;

41 (3) the hours during which the polls will  
42 be open; and

43 (4) the location of the polling places.

44 Sec. 10.04. The election shall be held not  
45 earlier than the 45th day and not later than the 60th  
46 day after the date on which the election is ordered.  
47 Section 41.001(a), Election Code, does not apply to an  
48 election ordered under this article.

49 Revised Law

50 Sec. 1004.304. NOTICE OF ELECTION. (a) The board shall  
51 give notice of an election under this subchapter by publishing a  
52 substantial copy of the election order in a newspaper with general  
53 circulation in the district once a week for two consecutive weeks.

1 (b) The first publication must appear not later than the  
2 35th day before the date set for the election. (Acts 70th Leg.,  
3 R.S., Ch. 137, Sec. 10.03.)

4 Source Law

5 Sec. 10.03. The board shall give notice of the  
6 election by publishing a substantial copy of the  
7 election order in a newspaper with general circulation  
8 in the district once a week for two consecutive weeks.  
9 The first publication must appear not later than the  
10 35th day before the date set for the election.

11 Revised Law

12 Sec. 1004.305. BALLOT. The ballot for an election under  
13 this subchapter must be printed to permit voting for or against the  
14 proposition: "The increase by the Ballinger Memorial Hospital  
15 District of the rate of annual taxes for hospital purposes on all  
16 taxable property in the district to a rate not to exceed \_\_\_\_\_  
17 (insert the amount determined by the board or stated in the  
18 petition) cents on each \$100 valuation." (Acts 70th Leg., R.S., Ch.  
19 137, Sec. 10.05.)

20 Source Law

21 Sec. 10.05. The ballot for the election shall be  
22 printed to permit voting for or against the  
23 proposition: "The increase by the Ballinger Memorial  
24 Hospital District of the rate of levy of annual taxes  
25 for hospital purposes to a rate of levy not to exceed  
26 \_\_\_\_\_ (insert the amount determined by the Board or  
27 stated in the petition, not to exceed 75 cents) cents  
28 on each \$100 of valuation on all taxable property in  
29 the district."

30 Revisor's Note

31 Section 10.05, Chapter 137, Acts of the 70th  
32 Legislature, Regular Session, 1987, provides the  
33 language to be used on the ballot for an election to  
34 increase the district tax rate. The language leaves a  
35 blank line for the tax rate and specifies that the  
36 amount determined by the board or stated in the  
37 petition, "not to exceed 75 cents," should be  
38 inserted. The revised law omits the quoted language  
39 because it duplicates the requirement stated in  
40 Section 1004.303 that the maximum tax rate to be voted  
41 on at an election may not exceed 75 cents on each \$100

1 valuation of property in the district.

2 Revised Law

3 Sec. 1004.306. TAX ASSESSOR-COLLECTOR. The board may  
4 provide for the appointment of a tax assessor-collector for the  
5 district or may contract for the assessment and collection of taxes  
6 as provided by the Tax Code. (Acts 70th Leg., R.S., Ch. 137, Sec.  
7 8.04(b).)

8 Source Law

9 (b) The board may provide for the appointment of  
10 a tax assessor-collector for the district or may  
11 contract for the assessment and collection of taxes as  
12 provided by the Tax Code.

13 Revisor's Note  
14 (End of Subchapter)

15 (1) Section 8.02(a), Chapter 137, Acts of the  
16 70th Legislature, Regular Session, 1987, provides that  
17 the district may impose taxes for the entire year in  
18 which the district is created. The revised law omits  
19 that provision as executed. The omitted law reads:

20 Sec. 8.02. (a) The board may levy  
21 taxes for the entire year in which the  
22 district is created.

23 (2) Section 8.04(a), Chapter 137, Acts of the  
24 70th Legislature, Regular Session, 1987, provides that  
25 the Tax Code governs the appraisal, assessment, and  
26 collection of district taxes. The revised law omits  
27 this provision as unnecessary because Section 1.02,  
28 Tax Code, requires all taxing units of government to  
29 administer the assessment and collection of ad valorem  
30 taxes in conformity with Title 1, Tax Code. The  
31 omitted law reads:

32 Sec. 8.04. (a) The Tax Code governs  
33 the appraisal, assessment, and collection  
34 of district taxes.

35 Revisor's Note  
36 (End of Chapter)

37 Section 5.02, Chapter 137, Acts of the 70th  
38 Legislature, Regular Session, 1987, provides, in part,  
39 that "[o]n creation of the district," the district

1 assumes certain debts incurred by the City of  
 2 Ballinger. The revised law omits this provision as  
 3 executed. The omitted law reads:

4 Sec. 5.02. On creation of the  
 5 district, the district:

6  
 7 (2) assumes any outstanding  
 8 indebtedness incurred by the city of  
 9 Ballinger in providing hospital care for  
 10 residents of the territory of the district  
 11 before the district's creation;  
 12 . . .

13 CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

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19 CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Revised Law

22 Sec. 1005.001. DEFINITIONS. In this chapter:

23 (1) "Board" means the board of directors of the

24 district.

25 (2) "Director" means a member of the board.

26 (3) "District" means the Baylor County Hospital

27 District.

28 (4) "Hospital system" includes a hospital and an

29 alternative delivery system of care created under Section 1005.107.

30 (Acts 71st Leg., R.S., Ch. 355, Secs. 1.01(1), (2), (3), (4).)

31 Source Law

32 Sec. 1.01. In this Act:

33 (1) "District" means the Baylor County

34 Hospital District.

35 (2) "Board" means the board of directors

36 of the district.

37 (3) "Director" means a member of the

1 board.

2 (4) "Hospital system" includes a hospital  
3 and an alternative delivery system created under  
4 Subsection (d) of Section 5.02 of this Act.

5 Revisor's Note

6 Section 1.01(5), Chapter 355, Acts of the 71st  
7 Legislature, Regular Session, 1989, defines the term  
8 "authority." The revised law omits the definition  
9 because the term is used only in Section 5.01 of that  
10 chapter, which is omitted from the revised law as  
11 executed. The omitted law reads:

12 (5) "Authority" means the  
13 Seymour Hospital Authority doing business  
14 as Seymour Hospital.

15 Revised Law

16 Sec. 1005.002. AUTHORITY FOR OPERATION. The Baylor County  
17 Hospital District operates and is financed as provided by Section  
18 9, Article IX, Texas Constitution, and by this chapter. (Acts 71st  
19 Leg., R.S., Ch. 355, Sec. 1.02.)

20 Source Law

21 Sec. 1.02. The Baylor County Hospital District  
22 may be created and established and, if created, must be  
23 maintained, operated, and financed in the manner  
24 provided by Article IX, Section 9, of the Texas  
25 Constitution and by this Act.

26 Revisor's Note

27 Section 1.02, Chapter 355, Acts of the 71st  
28 Legislature, Regular Session, 1989, provides that the  
29 Baylor County Hospital District "may be created and  
30 established and, if created, must be maintained,  
31 operated, and financed" in the manner provided by the  
32 Texas Constitution. The revised law omits references  
33 to the establishment and creation of the district as  
34 executed. The revised law omits "maintained" because  
35 the meaning of the term "maintain" is included in the  
36 meaning of "operate."

37 Revised Law

38 Sec. 1005.003. ESSENTIAL PUBLIC FUNCTION. The district is a  
39 public entity performing an essential public function. (Acts 71st

1 Leg., R.S., Ch. 355, Sec. 7.11 (part).)

2 Source Law

3 Sec. 7.11. Since the district created under  
4 this Act is a public entity performing an essential  
5 public function, . . . .

6 Revised Law

7 Sec. 1005.004. DISTRICT TERRITORY. The boundaries of the  
8 district are coextensive with the boundaries of Baylor County,  
9 Texas, as those boundaries existed on September 1, 1989. (Acts 71st  
10 Leg., R.S., Ch. 355, Sec. 1.03.)

11 Source Law

12 Sec. 1.03. The boundaries of the district are  
13 coextensive with the boundaries of Baylor County,  
14 Texas, on September 1, 1989.

15 Revised Law

16 Sec. 1005.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
17 OBLIGATION. The state may not become obligated for the support or  
18 maintenance of the district. (Acts 71st Leg., R.S., Ch. 355, Sec.  
19 9.01 (part).)

20 Source Law

21 Sec. 9.01. The state may not become obligated for  
22 the support or maintenance of a hospital district  
23 created under this Act . . . .

24 Revised Law

25 Sec. 1005.006. RESTRICTION ON STATE FINANCIAL  
26 ASSISTANCE. The legislature may not make a direct appropriation  
27 for the construction, maintenance, or improvement of a district  
28 facility. (Acts 71st Leg., R.S., Ch. 355, Sec. 9.01 (part).)

29 Source Law

30 Sec. 9.01. . . . nor may the legislature make  
31 a direct appropriation for the construction,  
32 maintenance, or improvement of a facility of the  
33 district.

34 Revisor's Note  
35 (End of Subchapter)

36 (1) Sections 2.01, 2.02, and 3.01-3.07, Chapter  
37 355, Acts of the 71st Legislature, Regular Session,  
38 1989, provide procedures for the appointment of  
39 temporary directors and for holding an election on



1 creation of the Baylor County Hospital District.  
2 Because the hospital district has been created, the  
3 revised law omits Sections 2.01, 2.02, and 3.01-3.07  
4 as executed. The omitted law reads:

5 Sec. 2.01. On the effective date of  
6 this Act, the Commissioners Court of Baylor  
7 County shall appoint seven persons to serve  
8 as temporary directors of the district.

9 Sec. 2.02. A vacancy in the office of  
10 temporary director shall be filled by  
11 appointment made by the Commissioners Court  
12 of Baylor County.

13 Sec. 3.01. The district may be  
14 created and a tax may be authorized only if  
15 the creation and the tax are approved by a  
16 majority of the qualified voters of the  
17 territory of the proposed district voting  
18 at an election called and held for that  
19 purpose.

20 Sec. 3.02. A majority of the  
21 temporary directors of the district may  
22 order a creation election to be held.

23 Sec. 3.03. The order calling the  
24 election must state:

25 (1) the nature of the election,  
26 including the proposition that is to appear  
27 on the ballot;

28 (2) the date of the election;

29 (3) the hours during which the  
30 polls will be open; and

31 (4) the location of the polling  
32 places.

33 Sec. 3.04. The temporary directors  
34 shall give notice of the election by  
35 publishing a substantial copy of the  
36 election order in a newspaper with general  
37 circulation in the proposed district once a  
38 week for two consecutive weeks. The first  
39 publication must appear at least 45 days  
40 before the date set for the election.

41 Sec. 3.05. (a) The election shall  
42 be held not less than 45 days nor more than  
43 60 days after the date on which the election  
44 is ordered.

45 (b) Subsection (a), Section 41.001,  
46 Election Code, does not apply to an election  
47 ordered under this article.

48 Sec. 3.06. The ballot for an election  
49 at which the issuance of bonds is not  
50 proposed shall be printed to permit voting  
51 for or against the proposition: "The  
52 creation of the Baylor County Hospital  
53 District and the levy of annual taxes for  
54 hospital purposes at a rate not to exceed 75  
55 cents on each \$100 valuation of all taxable  
56 property in the district."

57 Sec. 3.07. (a) The temporary  
58 directors of the district shall meet and  
59 canvass the returns of the elections.

60 (b) If the temporary directors find  
61 that the election results are favorable to  
62 the proposition to create the district,  
63 they shall issue an order declaring the  
64 district created.

1 (c) If the temporary directors find  
2 that the election results are not favorable  
3 to the proposition to create the district,  
4 another creation election may not be held  
5 within 12 months after the date of the  
6 election at which voters disapproved the  
7 proposition.

8 (2) Section 3.08, Chapter 355, Acts of the 71st  
9 Legislature, Regular Session, 1989, provides for the  
10 expiration of the act if the creation of the Baylor  
11 County Hospital District is not approved at an  
12 election within 60 months of the act's effective date.  
13 The revised law omits the provision as unnecessary  
14 because the district was created within the specified  
15 period. The omitted law reads:

16 Sec. 3.08. If the creation of the  
17 district is not approved at an election held  
18 within 60 months after the effective date of  
19 this Act, this Act expires.

20 [Sections 1005.007-1005.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Revised Law

23 Sec. 1005.051. BOARD. The district is governed by a board  
24 of seven directors. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.01(a).)

25 Source Law

26 Sec. 4.01. (a) The district is governed by a  
27 board of seven directors.

28 Revisor's Note

29 Section 4.01(b), Chapter 355, Acts of the 71st  
30 Legislature, Regular Session, 1989, provides for  
31 temporary directors to serve as directors of the  
32 Baylor County Hospital District until the earlier of  
33 two dates. The revised law omits the provision as  
34 executed. The omitted law reads:

35 (b) The temporary directors serve as  
36 directors of the district until the date on  
37 which this Act expires or on which the first  
38 directors elected under Section 4.02 of  
39 this Act take office, whichever date is  
40 earlier.

41 Revised Law

42 Sec. 1005.052. ELECTION; TERM. (a) Directors are elected

1 from the district at large.

2 (b) Unless a four-year term is established under Section  
3 285.081, Health and Safety Code:

4 (1) directors serve staggered two-year terms; and

5 (2) an election shall be held on the first Saturday in  
6 May of each year to elect the appropriate number of directors.

7 (Acts 71st Leg., R.S., Ch. 355, Secs. 4.03(a), (b) (part), (c).)

8 Source Law

9 Sec. 4.03. (a) Members of the board of  
10 directors shall be elected from the district at large.

11 (b) . . . The four directors receiving the  
12 highest number of votes at the initial election serve  
13 for a term of two years. The remaining directors serve  
14 for a term of one year.

15 (c) After the initial election of directors, an  
16 election shall be held on the first Saturday in May  
17 each year, and the appropriate number of successor  
18 directors shall be elected for two-year terms.

19 Revisor's Note

20 (1) Section 4.03(b), Chapter 355, Acts of the  
21 71st Legislature, Regular Session, 1989, prescribes  
22 the procedure for electing the initial board of  
23 directors. The revised law omits the provision as  
24 executed. The omitted law reads:

25 (b) The seven candidates receiving  
26 the highest number of votes at the initial  
27 election of directors are directors for the  
28 district. . . .

29 (2) Section 4.03(b), Chapter 355, Acts of the  
30 71st Legislature, Regular Session, 1989, prescribes  
31 the terms of the initial directors and, in doing so,  
32 establishes staggered two-year terms for the  
33 directors. The revised law omits the specific  
34 provision relating to the terms of the initial  
35 directors as executed but codifies the establishment  
36 of staggered two-year terms.

37 (3) Section 4.03(c), Chapter 355, Acts of the  
38 71st Legislature, Regular Session, 1989, provides that  
39 directors serve for two years. Section 285.081, Health  
40 and Safety Code, applicable to all hospital districts,

1 provides a mechanism by which the governing board of a  
2 hospital district may, on its own motion, order that  
3 members be elected in even-numbered years to serve  
4 staggered four-year terms. The revised law is drafted  
5 accordingly and adds a reference to Section 285.081  
6 for the convenience of the reader.

7 Revised Law

8 Sec. 1005.053. NOTICE OF ELECTION. At least 35 days before  
9 the date of an election of directors, notice of the election shall  
10 be published one time in a newspaper with general circulation in the  
11 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.04.)

12 Source Law

13 Sec. 4.04. At least 35 days before the date of  
14 an election of directors, notice of the election shall  
15 be published one time in a newspaper with general  
16 circulation in the district.

17 Revised Law

18 Sec. 1005.054. APPLICATION. (a) A person who wants to  
19 have the person's name printed on the ballot as a candidate for  
20 director must file with the secretary of the board a petition  
21 requesting that the person's name be printed on the ballot.

22 (b) The petition must be signed by at least 10 registered  
23 voters of the district.

24 (c) The application must be filed at least 31 days before  
25 the date of the election. (Acts 71st Leg., R.S., Ch. 355, Sec.  
26 4.05.)

27 Source Law

28 Sec. 4.05. A person who wishes to have his or  
29 her name printed on the ballot as a candidate for  
30 director must file a petition signed by at least 10  
31 registered voters of the district with the secretary  
32 of the board of directors requesting that his or her  
33 name be printed on the ballot. The application must be  
34 filed at least 31 days before the date of the election.

35 Revised Law

36 Sec. 1005.055. QUALIFICATIONS FOR OFFICE. (a) To be a  
37 candidate for or to serve as a director, a person must be:

- 38 (1) a resident of the district; and  
39 (2) a qualified voter.

1 (b) An employee of the district or an employee's spouse,  
2 child, parent, or parent-in-law may not serve as director. (Acts  
3 71st Leg., R.S., Ch. 355, Sec. 4.06.)

4 Source Law

5 Sec. 4.06. (a) To be eligible to be a candidate  
6 for or to serve as a director, a person must be:

- 7 (1) a resident of the district; and  
8 (2) a qualified voter.

9 (b) An employee of the district or a member of an  
10 employee's immediate family may not serve as director.  
11 For purposes of this Act, "immediate family" means a  
12 person's spouse, child, parent, or parent-in-law.

13 Revised Law

14 Sec. 1005.056. BOARD VACANCY. If a vacancy occurs in the  
15 office of director, the Commissioners Court of Baylor County shall  
16 appoint a director for the unexpired term. (Acts 71st Leg., R.S.,  
17 Ch. 355, Sec. 4.07.)

18 Source Law

19 Sec. 4.07. A vacancy in the office of director  
20 shall be filled for the unexpired term by appointment  
21 made by the Commissioners Court of Baylor County.

22 Revised Law

23 Sec. 1005.057. OFFICERS. (a) The board shall elect a  
24 president and a vice president from among its members.

25 (b) The board shall appoint a secretary, who need not be a  
26 director.

27 (c) Each officer of the board serves for a term of one year.

28 (d) The board shall fill a vacancy in a board office for the  
29 unexpired term. (Acts 71st Leg., R.S., Ch. 355, Secs. 4.08, 4.09.)

30 Source Law

31 Sec. 4.08. The board shall elect from among its  
32 members a president and a vice-president. The board  
33 shall also appoint a secretary. The secretary need not  
34 be a director.

35 Sec. 4.09. (a) Each officer of the board  
36 serves for a term of one year.

37 (b) A vacancy in a board office shall be filled  
38 for the unexpired term of the board.

39 Revised Law

40 Sec. 1005.058. COMPENSATION. A director or officer serves  
41 without compensation but may be reimbursed for actual expenses  
42 incurred in the performance of official duties. The expenses must

1 be:

2 (1) reported in the district's records; and

3 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
4 355, Sec. 4.10.)

5 Source Law

6 Sec. 4.10. Directors and officers serve without  
7 compensation but may be reimbursed for actual expenses  
8 incurred in the performance of official duties. Those  
9 expenses must be reported in the district's minute book  
10 or other district records and must be approved by the  
11 board.

12 Revisor's Note

13 Section 4.10, Chapter 355, Acts of the 71st  
14 Legislature, Regular Session, 1989, provides that  
15 district expenses must be reported in the "district's  
16 minute book or other district records." The revised  
17 law omits "minute book" because the district's minute  
18 book is a district record.

19 Revised Law

20 Sec. 1005.059. VOTING REQUIREMENT. A concurrence of a  
21 majority of the directors voting is necessary in matters relating  
22 to district business. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.11.)

23 Source Law

24 Sec. 4.11. A concurrence of a majority of the  
25 members of the board voting is necessary in matters  
26 relating to the business of the district.

27 Revised Law

28 Sec. 1005.060. DISTRICT ADMINISTRATOR. (a) The board may  
29 appoint a qualified person as district administrator.

30 (b) The district administrator serves at the will of the  
31 board.

32 (c) The district administrator is entitled to the  
33 compensation determined by the board. (Acts 71st Leg., R.S., Ch.  
34 355, Sec. 4.12.)

35 Source Law

36 Sec. 4.12. (a) The board may appoint a  
37 qualified person as administrator of the district.

38 (b) The administrator serves at the will of the  
39 board.

40 (c) The administrator is entitled to

1 compensation as determined by the board.

2 Revised Law

3 Sec. 1005.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

4 Subject to the limitations prescribed by the board, the district  
5 administrator shall:

6 (1) supervise the work and activities of the district;  
7 and

8 (2) direct the general affairs of the district and  
9 hospital system. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.15.)

10 Source Law

11 Sec. 4.15. The administrator shall supervise  
12 the work and activities of the district and shall  
13 direct the general affairs of the district and  
14 hospital system, subject to the limitations prescribed  
15 by the board.

16 Revised Law

17 Sec. 1005.062. APPOINTMENT AND RECRUITMENT OF STAFF. (a)

18 The board may appoint to the staff any physicians the board  
19 considers necessary for the efficient operation of the district and  
20 may make temporary appointments as necessary.

21 (b) The board may delegate to the district administrator the  
22 authority to make temporary appointments to the medical staff, with  
23 subsequent approval of the board.

24 (c) The board may spend district money, including making  
25 guarantees and loans, to recruit physicians to the hospital staff  
26 as required to meet the medical needs of district residents. (Acts  
27 71st Leg., R.S., Ch. 355, Secs. 4.13, 5.02(b).)

28 Source Law

29 Sec. 4.13. The board may appoint to the staff  
30 any doctors it considers necessary for the efficient  
31 operation of the district and may make temporary  
32 appointments as considered necessary. The board may  
33 delegate to the administrator the authority to make  
34 temporary appointments to the medical staff, with  
35 subsequent approval of the board.

36 [Sec. 5.02]

37 (b) The board of directors may spend district  
38 funds to recruit physicians to the hospital staff as  
39 required to meet the medical needs of the district  
40 residents. This includes but is not limited to  
41 guarantees and loans.

1 Revisor's Note

2 Section 5.02(b), Chapter 355, Acts of the 71st  
3 Legislature, Regular Session, 1989, refers to the  
4 expenditure of district funds that includes "but is  
5 not limited to" guarantees and loans. Throughout this  
6 chapter, the revised law omits the quoted language as  
7 unnecessary because Section 311.005(13), Government  
8 Code (Code Construction Act), applicable to the  
9 revised law, provides that "includes" and "including"  
10 are terms of enlargement and not of limitation and do  
11 not create a presumption that components not expressed  
12 are excluded.

13 Revised Law

14 Sec. 1005.063. EMPLOYEES. (a) The district may employ  
15 physicians, technicians, nurses, fiscal agents, accountants,  
16 architects, attorneys, and other necessary employees.

17 (b) The board may delegate to the district administrator the  
18 authority to employ persons for the district. (Acts 71st Leg.,  
19 R.S., Ch. 355, Sec. 4.14.)

20 Source Law

21 Sec. 4.14. (a) The district may employ  
22 physicians, technicians, nurses, fiscal agents,  
23 accountants, architects, attorneys, and other  
24 necessary employees.

25 (b) The board may delegate to the administrator  
26 the authority to employ persons for the district.

27 Revised Law

28 Sec. 1005.064. HEALTH EDUCATION. The board may spend  
29 district money to provide scholarships and student loans to educate  
30 county residents in health-related fields. (Acts 71st Leg., R.S.,  
31 Ch. 355, Sec. 5.02(c).)

32 Source Law

33 (c) The board may use district funds to provide  
34 scholarships and student loans to educate county  
35 residents in health-related fields.

36 Revised Law

37 Sec. 1005.065. RETIREMENT BENEFITS. The board may provide  
38 retirement benefits for employees of the district and hospital



1 system by:

2 (1) establishing or administering a retirement  
3 program; or

4 (2) participating in:

5 (A) the Texas County and District Retirement  
6 System; or

7 (B) another statewide retirement system in which  
8 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
9 355, Sec. 4.16.)

10 Source Law

11 Sec. 4.16. The board may provide retirement  
12 benefits for employees of the district and hospital  
13 system by establishing or administering a retirement  
14 program or by electing to participate in the Texas  
15 County and District Retirement System or in any other  
16 statewide retirement system in which the district is  
17 eligible to participate.

18 Revisor's Note  
19 (End of Subchapter)

20 Section 4.02, Chapter 355, Acts of the 71st  
21 Legislature, Regular Session, 1989, provides the date  
22 of the initial directors' election. The revised law  
23 omits that section as executed. The omitted law reads:

24 Sec. 4.02. Directors shall be  
25 elected at an election to be held on the  
26 first Saturday in May following the  
27 creation of the district.

28 [Sections 1005.066-1005.100 reserved for expansion]

29 SUBCHAPTER C. POWERS AND DUTIES

30 Revised Law

31 Sec. 1005.101. DISTRICT RESPONSIBILITY. The district has  
32 full responsibility for operating hospital facilities and for  
33 providing medical and hospital care for the district's needy  
34 residents, in accordance with district policy. (Acts 71st Leg.,  
35 R.S., Ch. 355, Sec. 5.02(a) (part).)

36 Source Law

37 Sec. 5.02. (a) On creation of the district,  
38 the district:

39 (1) assumes full responsibility for  
40 operating hospital facilities and for furnishing  
41 medical and hospital care for the district's needy  
42 inhabitants, in accordance with district policy;

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Revisor's Note

Section 5.02(a), Chapter 355, Acts of the 71st Legislature, Regular Session, 1989, provides that "[o]n creation of the district," the district "assumes" certain responsibilities. The revised law substitutes "has" for the quoted language because the obligation to assume the responsibility is executed.

Revised Law

Sec. 1005.102. RESTRICTION ON COUNTY AND MUNICIPAL TAXATION AND DEBT. Baylor County and the City of Seymour may not impose a tax or issue a bond or other obligation for hospital purposes or to provide medical care or other services the district provides to district residents. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.01(b).)

Source Law

(b) On or after creation of the district, Baylor County and the City of Seymour may not levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care or other services that the district provides to the residents of the district.

Revisor's Note

(1) Section 5.01(b), Chapter 355, Acts of the 71st Legislature, Regular Session, 1989, provides that "[o]n or after creation of the district," Baylor County and the City of Seymour may not impose taxes or issue bonds. The revised law omits the quoted language as executed.

(2) Section 5.01(b), Chapter 355, Acts of the 71st Legislature, Regular Session, 1989, prohibits Baylor County and the City of Seymour from levying taxes. The revised law substitutes "impose" for "levy" because "impose" is the term generally used in Title 1, Tax Code, and includes the levying of an ad valorem tax.

Revised Law

Sec. 1005.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

1 The board shall manage, control, and administer the hospital system  
2 and the money and resources of the district. (Acts 71st Leg., R.S.,  
3 Ch. 355, Sec. 5.03.)

4 Source Law

5 Sec. 5.03. The board shall manage, control, and  
6 administer the hospital system and the funds and  
7 resources of the district.

8 Revised Law

9 Sec. 1005.104. DISTRICT RULES. The board may adopt rules  
10 governing:

11 (1) the operation of the hospital and hospital system;  
12 and

13 (2) the duties, functions, and responsibilities of the  
14 district staff and employees. (Acts 71st Leg., R.S., Ch. 355, Sec.  
15 5.04.)

16 Source Law

17 Sec. 5.04. The board may adopt rules governing  
18 the operation of the hospital and hospital system and  
19 the duties, functions, and responsibilities of the  
20 district staff and employees.

21 Revised Law

22 Sec. 1005.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
23 board may prescribe:

24 (1) the method of the making of purchases and  
25 expenditures by and for the district; and

26 (2) accounting and control procedures for the  
27 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.05.)

28 Source Law

29 Sec. 5.05. (a) The board may prescribe the  
30 method of making purchases and expenditures by and for  
31 the district.

32 (b) The board may prescribe accounting and  
33 control procedures for the district.

34 Revised Law

35 Sec. 1005.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
36 district may operate or provide for the operation of a mobile  
37 emergency medical service. (Acts 71st Leg., R.S., Ch. 355, Sec.  
38 5.02(a) (part).)

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Source Law

(a) . . . the district:  
    (3) may operate or provide for the operation of a mobile emergency medical service.

Revised Law

Sec. 1005.107. ALTERNATIVE DELIVERY SYSTEMS OF CARE. The board may create alternative delivery systems of care, including:

- (1) nursing homes;
- (2) home health care agencies;
- (3) extended care facilities;
- (4) retirement villages; and
- (5) medical office buildings. (Acts 71st Leg., R.S.,

Ch. 355, Sec. 5.02(d).)

Source Law

(d) The board may create alternative delivery systems of care including but not limited to nursing homes, home health care agencies, extended care facilities, retirement villages, and medical office buildings.

Revised Law

Sec. 1005.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

- (1) the type, number, and location of buildings required to maintain an adequate hospital system; and
- (2) the type of equipment necessary to furnish health care to district residents.

(b) The board may:

- (1) acquire property, facilities, and equipment for the district for use in the hospital system; and
- (2) mortgage or pledge the property, facilities, or equipment acquired as security for the payment of the purchase price.

(c) The board may lease the hospital system for the district.

(d) The board may sell or otherwise dispose of property, facilities, or equipment for the district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.06.)



1 the Baylor County Hospital District may enter into  
2 certain construction contracts only after competitive  
3 bidding as provided by Chapter 770, Acts of the 66th  
4 Legislature, Regular Session, 1979 (Article 2368a.3,  
5 Vernon's Texas Civil Statutes). Chapter 149, Acts of  
6 the 70th Legislature, Regular Session, 1987, revised  
7 the relevant parts of Article 2368a.3 as Chapter 271,  
8 Local Government Code. The revised law is drafted  
9 accordingly.

10 (2) Section 5.07(b), Chapter 355, Acts of the  
11 71st Legislature, Regular Session, 1989, refers to  
12 Article 5160, Revised Statutes. Article 5160 was  
13 codified in 1993 as Chapter 2253, Government Code. The  
14 revised law is drafted accordingly.

15 Revised Law

16 Sec. 1005.110. OPERATING AND MANAGEMENT CONTRACTS. The  
17 board on behalf of the district may enter into operating or  
18 management contracts relating to the hospital system. (Acts 71st  
19 Leg., R.S., Ch. 355, Sec. 5.08.)

20 Source Law

21 Sec. 5.08. The board may enter into operating or  
22 management contracts relating to the hospital system  
23 on behalf of the district.

24 Revised Law

25 Sec. 1005.111. SERVICE CONTRACTS. The board may contract  
26 with a political subdivision of the state or with a state or federal  
27 agency for the district to:

- 28 (1) provide a mobile emergency medical service; or  
29 (2) provide for the investigatory or welfare needs of  
30 district residents. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.13.)

31 Source Law

32 Sec. 5.13. The board may contract with a city,  
33 county, special district, or other political  
34 subdivision of the state or with a state or federal  
35 agency for the district to furnish a mobile emergency  
36 medical service or to provide for the investigatory or  
37 welfare needs of inhabitants of the district.

1 Revisor's Note

2 Section 5.13, Chapter 355, Acts of the 71st  
3 Legislature, Regular Session, 1989, refers to "a city,  
4 county, special district, or other political  
5 subdivision of the state." Throughout this chapter,  
6 the revised law omits references to "city," "county,"  
7 and "special district" in this context because those  
8 terms are included in the meaning of "political  
9 subdivision of the state."

10 Revised Law

11 Sec. 1005.112. EMINENT DOMAIN. (a) The district may  
12 exercise the power of eminent domain to acquire a fee simple or  
13 other interest in property located in district territory if the  
14 property interest is necessary to exercise the rights or authority  
15 conferred by this chapter.

16 (b) The district must exercise the power of eminent domain  
17 in the manner provided by Chapter 21, Property Code, except that the  
18 district is not required to deposit in the trial court money or a  
19 bond as provided by Section 21.021(a), Property Code.

20 (c) In a condemnation proceeding brought by the district,  
21 the district is not required to:

22 (1) pay in advance or provide bond or other security  
23 for costs in the trial court;

24 (2) provide bond for the issuance of a temporary  
25 restraining order or a temporary injunction; or

26 (3) provide a bond for costs or a supersedeas bond on  
27 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 355, Sec.  
28 5.09.)

29 Source Law

30 Sec. 5.09. (a) The district may exercise the  
31 power of eminent domain to acquire by condemnation a  
32 fee simple or other interest in property located in the  
33 territory of the district if the property interest is  
34 necessary to the exercise of the rights or authority  
35 conferred by this Act.

36 (b) The district must exercise the power of  
37 eminent domain in the manner provided by Chapter 21,  
38 Property Code, but the district is not required to  
39 deposit in the trial court money or a bond provided by

1 Subsection (a), Section 21.021, Property Code.

2 (c) In a condemnation proceeding brought by the  
3 district, the district is not required to pay in  
4 advance or give bond or other security for costs in the  
5 trial court, to give bond for the issuance of a  
6 temporary restraining order or a temporary injunction,  
7 or to give bond for costs or supersedeas on an appeal  
8 or writ of error.

9 Revised Law

10 Sec. 1005.113. COST OF RELOCATING OR ALTERING PROPERTY. In  
11 exercising the power of eminent domain, if the board requires  
12 relocating, raising, lowering, rerouting, changing the grade, or  
13 altering the construction of any railroad, highway, pipeline, or  
14 electric transmission and electric distribution, telegraph, or  
15 telephone lines, conduits, poles, or facilities, the district must  
16 bear the actual cost of that activity to provide comparable  
17 replacement without enhancement of facilities, after deducting the  
18 net salvage value derived from the old facility. (Acts 71st Leg.,  
19 R.S., Ch. 355, Sec. 5.10.)

20 Source Law

21 Sec. 5.10. In exercising the power of eminent  
22 domain, if the board requires relocating, raising,  
23 lowering, rerouting, changing the grade, or altering  
24 the construction of any railroad, highway, pipeline,  
25 or electric transmission and electric distribution,  
26 telegraph, or telephone lines, conduits, poles, or  
27 facilities, the district must bear the actual cost of  
28 relocating, raising, lowering, rerouting, changing  
29 the grade, or altering the construction to provide  
30 comparable replacement without enhancement of  
31 facilities, after deducting the net salvage value  
32 derived from the old facility.

33 Revised Law

34 Sec. 1005.114. GIFTS AND ENDOWMENTS. The board may accept  
35 for the district a gift or endowment to be held in trust for the  
36 purpose and under a written direction, limitation, or provision of  
37 the donor that is consistent with the proper management of the  
38 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.14.)

39 Source Law

40 Sec. 5.14. On behalf of the district, the board  
41 may accept donations, gifts, and endowments to be held  
42 in trust for any purpose and under any direction,  
43 limitation, or provision prescribed in writing by the  
44 donor that is consistent with the proper management of  
45 the district.



1 Revisor's Note

2 Section 5.14, Chapter 355, Acts of the 71st  
3 Legislature, Regular Session, 1989, refers to  
4 "donations" and "gifts." The revised law omits the  
5 reference to "donations" as unnecessary because  
6 "donations" is included in the meaning of "gifts."

7 Revised Law

8 Sec. 1005.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)

9 When an individual who resides in the district is admitted as a  
10 patient to a district facility, the district administrator may have  
11 an inquiry made into the financial circumstances of:

12 (1) the patient; or

13 (2) a relative of the patient who is legally  
14 responsible for the patient's support.

15 (b) On determining that the patient or a relative legally  
16 responsible for the patient's support can pay for all or part of the  
17 care and treatment provided by the district, the district  
18 administrator acting on the board's behalf shall issue an order  
19 directing the patient or the relative to pay the district a  
20 specified amount each week or month. The amount must be based on  
21 the individual's ability to pay.

22 (c) The district administrator may collect money owed to the  
23 district from the patient's estate or from that of a relative  
24 legally responsible for the patient's support. The money must be  
25 collected in the manner provided by law for collection of expenses  
26 of the last illness of a deceased person. (Acts 71st Leg., R.S.,  
27 Ch. 355, Secs. 5.11(b), (c), (d).)

28 Source Law

29 (b) If an individual residing in the district is  
30 admitted as a patient to a facility of the district,  
31 the administrator may have an inquiry made as to the  
32 patient's financial circumstances and as to financial  
33 circumstances of a relative of the patient who is  
34 legally responsible for the patient's support.

35 (c) On finding that the patient or a relative of  
36 the patient legally responsible for the patient's  
37 support can pay for all or any part of the care and  
38 treatment provided by the district, the administrator  
39 acting on behalf of the board shall issue an order  
40 directing the patient or the relative to pay the

1 district a specified sum each week or month based on  
2 the individual's ability to pay.

3 (d) The administrator may collect money owed to  
4 the district from the estate of the patient or from  
5 that of a relative who was legally responsible for the  
6 patient's support in the manner provided by law for  
7 collection of expenses in the last illness of a  
8 deceased person.

9 Revisor's Note

10 Section 5.11(a), Chapter 355, Acts of the 71st  
11 Legislature, Regular Session, 1989, requires the  
12 Baylor County Hospital District to adopt an  
13 application procedure for assistance eligibility. The  
14 revised law omits the provision because it duplicates  
15 provisions in Sections 61.053(a) and (b), Health and  
16 Safety Code, which apply to the district and detail the  
17 application procedure. The omitted law reads:

18 Sec. 5.11. (a) Not later than the  
19 beginning of each operating year, the  
20 district shall adopt an application  
21 procedure to determine eligibility for  
22 assistance, as provided by Section 10.03,  
23 Indigent Health Care and Treatment Act  
24 (Article 4438f, Vernon's Texas Civil  
25 Statutes).

26 Revised Law

27 Sec. 1005.116. REIMBURSEMENT FOR SERVICES. (a) The board  
28 shall require a county, municipality, or public hospital located  
29 outside the boundaries of the district to reimburse the district  
30 for the district's care and treatment of a sick or injured person of  
31 that county, municipality, or hospital as provided by Chapter 61,  
32 Health and Safety Code.

33 (b) The board shall require the sheriff of Baylor County to  
34 reimburse the district for the district's care and treatment of a  
35 person who is confined in a jail facility of Baylor County and is  
36 not a resident of the district.

37 (c) On behalf of the district, the board may contract with  
38 the state or federal government for that government to reimburse  
39 the district for treatment of a sick or injured person. (Acts 71st  
40 Leg., R.S., Ch. 355, Sec. 5.12.)

41 Source Law

42 Sec. 5.12. (a) The board shall require

1 reimbursement from a county, city, or public hospital  
2 located outside the boundaries of the district for the  
3 district's care and treatment of a sick, diseased, or  
4 injured person of that county, city, or public  
5 hospital as provided by the Indigent Health Care and  
6 Treatment Act (Article 4438f, Vernon's Texas Civil  
7 Statutes).

8 (b) The board shall require reimbursement from  
9 the sheriff of Baylor County for the district's care  
10 and treatment of a person confined in a jail facility  
11 of Baylor County who is not a resident of the district.

12 (c) On behalf of the district, the board may  
13 contract with the state or federal government for the  
14 state or federal government to reimburse the district  
15 for treatment of a sick, diseased, or injured person.

#### 16 Revisor's Note

17 (1) Sections 5.12(a) and (c), Chapter 355, Acts  
18 of the 71st Legislature, Regular Session, 1989, refer  
19 to a "sick, diseased, or injured person." The revised  
20 law omits the references to "diseased" because it is  
21 included in the meaning of "sick."

22 (2) Section 5.12(a), Chapter 355, Acts of the  
23 71st Legislature, Regular Session, 1989, refers to the  
24 Indigent Health Care and Treatment Act (Article 4438f,  
25 Vernon's Texas Civil Statutes). That statute was  
26 codified in 1989 as Chapter 61, Health and Safety Code.  
27 The revised law is drafted accordingly.

28 (3) Section 5.12(a), Chapter 355, Acts of the  
29 71st Legislature, Regular Session, 1989, refers to  
30 "city." Throughout this chapter, the revised law  
31 substitutes "municipality" for "city" because in  
32 context the terms are equivalent, and "municipality"  
33 is the term used by the Local Government Code.

#### 34 Revised Law

35 Sec. 1005.117. AUTHORITY TO SUE AND BE SUED. The board may  
36 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
37 Ch. 355, Sec. 5.15.)

#### 38 Source Law

39 Sec. 5.15. The board may sue and be sued on  
40 behalf of the district.

41 [Sections 1005.118-1005.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1005.151. BUDGET. (a) The district administrator  
4 shall prepare a proposed annual budget for the district.

5 (b) The proposed budget must contain a complete financial  
6 statement, including a statement of:

7 (1) the outstanding obligations of the district;

8 (2) the amount of cash on hand in each district fund;

9 (3) the amount of money received by the district from  
10 all sources during the previous year;

11 (4) the amount of money available to the district from  
12 all sources during the ensuing year;

13 (5) the amount of the balances expected at the end of  
14 the year in which the budget is being prepared;

15 (6) the estimated amount of revenues and balances  
16 available for the proposed budget; and

17 (7) the estimated tax rate required. (Acts 71st Leg.,  
18 R.S., Ch. 355, Sec. 6.04.)

19 Source Law

20 Sec. 6.04. (a) The administrator of the  
21 district shall prepare a proposed annual budget for  
22 the district.

23 (b) The proposed budget must contain a complete  
24 financial statement, including a statement of:

25 (1) the outstanding obligations of the  
26 district;

27 (2) the amount of cash on hand to the  
28 credit of each fund of the district;

29 (3) the amount of money received by the  
30 district from all sources during the previous year;

31 (4) the amount of money available to the  
32 district from all sources during the ensuing year;

33 (5) the amount of the balances expected at  
34 the end of the year in which the budget is being  
35 prepared;

36 (6) the estimated amount of revenues and  
37 balances available to cover the proposed budget; and

38 (7) the estimated tax rate that will be  
39 required.

40 Revised Law

41 Sec. 1005.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
42 The board shall hold a public hearing on the proposed annual budget.

43 (b) The board shall publish notice of the hearing in a  
44 newspaper with general circulation in the district not later than

1 the 10th day before the date of the hearing.

2 (c) Any district resident is entitled to be present and  
3 participate at the hearing.

4 (d) At the conclusion of the hearing, the board shall adopt  
5 a budget by acting on the budget proposed by the district  
6 administrator. The board may make any changes in the proposed  
7 budget that the board judges to be in the interests of the  
8 taxpayers.

9 (e) The budget is effective only after adoption by the  
10 board. (Acts 71st Leg., R.S., Ch. 355, Sec. 6.05.)

11 Source Law

12 Sec. 6.05. (a) The board shall hold a public  
13 hearing on the proposed annual budget.

14 (b) The board shall publish notice of the  
15 hearing in a newspaper with general circulation in the  
16 district not later than the 10th day before the date of  
17 the hearing.

18 (c) Any resident of the district is entitled to  
19 be present and participate at the hearing.

20 (d) At the conclusion of the hearing, the board  
21 shall adopt a budget by acting on the budget proposed  
22 by the administrator. The board may make any changes  
23 in the proposed budget that in its judgment the  
24 interests of the taxpayers demand.

25 (e) The budget is effective only after adoption  
26 by the board.

27 Revised Law

28 Sec. 1005.153. AMENDMENT OF BUDGET. After the budget is  
29 adopted, the budget may be amended on the board's approval. (Acts  
30 71st Leg., R.S., Ch. 355, Sec. 6.06.)

31 Source Law

32 Sec. 6.06. After adoption, the annual budget  
33 may be amended on the board's approval.

34 Revised Law

35 Sec. 1005.154. RESTRICTION ON EXPENDITURES. Money may be  
36 spent only for an expense included in the annual budget or an  
37 amendment to the budget. (Acts 71st Leg., R.S., Ch. 355, Sec.  
38 6.07.)

39 Source Law

40 Sec. 6.07. Money may not be spent for an expense  
41 not included in the annual budget or an amendment to  
42 it.

1 Revised Law

2 Sec. 1005.155. FISCAL YEAR. (a) The district operates  
3 according to a fiscal year established by the board.

4 (b) The fiscal year may not be changed:

5 (1) during a period that revenue bonds of the district  
6 are outstanding; or

7 (2) more than once in a 24-month period. (Acts 71st  
8 Leg., R.S., Ch. 355, Sec. 6.01.)

9 Source Law

10 Sec. 6.01. (a) The district is operated on the  
11 basis of a fiscal year established by the board.

12 (b) The fiscal year may not be changed during a  
13 period that revenue bonds of the district are  
14 outstanding or more than once in a 24-hour month  
15 period.

16 Revised Law

17 Sec. 1005.156. ANNUAL AUDIT. The board annually shall have  
18 an audit made of the financial condition of the district. (Acts  
19 71st Leg., R.S., Ch. 355, Sec. 6.02.)

20 Source Law

21 Sec. 6.02. Annually, the board shall have an  
22 audit made of the financial condition of the district.

23 Revised Law

24 Sec. 1005.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
25 RECORDS. The annual audit and other district records shall be open  
26 to inspection during regular business hours at the principal office  
27 of the district. (Acts 71st Leg., R.S., Ch. 355, Sec. 6.03.)

28 Source Law

29 Sec. 6.03. The annual audit and other district  
30 records shall be open to inspection during regular  
31 business hours at the principal office of the  
32 district.

33 Revised Law

34 Sec. 1005.158. FINANCIAL REPORT. As soon as practicable  
35 after the close of the fiscal year, the district administrator  
36 shall prepare for the board a sworn statement of the amount of  
37 district money and an account of the disbursements of that money.  
38 (Acts 71st Leg., R.S., Ch. 355, Sec. 6.08.)

1 Source Law

2 Sec. 6.08. As soon as practicable after the  
3 close of the fiscal year, the administrator shall  
4 prepare for the board a sworn statement of the amount  
5 of money that belongs to the district and an account of  
6 the disbursements of that money.

7 Revised Law

8 Sec. 1005.159. DEPOSITORY. (a) The board shall select  
9 one or more banks to serve as depository for district money.

10 (b) District money, other than money invested as provided by  
11 Section 1005.161 and money transmitted to a bank for payment of  
12 bonds or obligations issued or assumed by the district, shall be  
13 deposited as received with the depository bank and shall remain on  
14 deposit. This subsection does not limit the power of the board to  
15 place a part of district money on time deposit or to purchase  
16 certificates of deposit.

17 (c) The district may not deposit money with a bank in an  
18 amount that exceeds the maximum amount secured by the Federal  
19 Deposit Insurance Corporation unless the bank has first executed a  
20 bond or other security in an amount sufficient to secure from loss  
21 the district money that exceeds the amount secured by the Federal  
22 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 355,  
23 Sec. 6.10.)

24 Source Law

25 Sec. 6.10. (a) The board shall name one or more  
26 banks to serve as depository for district funds.

27 (b) District funds, other than those invested as  
28 provided by Subsection (d) of Section 6.09 of this Act  
29 and those transmitted to a bank for payment of bonds or  
30 obligations issued or assumed by the district, shall  
31 be deposited as received with the depository bank and  
32 must remain on deposit. This subsection does not limit  
33 the power of the board to place a portion of district  
34 funds on time deposit or to purchase certificates of  
35 deposit.

36 (c) Before the district deposits funds in a bank  
37 in an amount that exceeds the maximum amount secured by  
38 the Federal Deposit Insurance Corporation, the bank  
39 must execute a bond or other security in an amount  
40 sufficient to secure from loss the district funds that  
41 exceed the amount secured by the Federal Deposit  
42 Insurance Corporation.

43 Revised Law

44 Sec. 1005.160. AUTHORITY TO BORROW MONEY;  
45 SECURITY. (a) The board may borrow money if the board declares

1 that there is an emergency because money is not available to meet  
2 authorized obligations of the district.

3 (b) To secure a loan, the board may pledge:

4 (1) district revenues that are not pledged to pay any  
5 bonded indebtedness of the district;

6 (2) a district tax to be imposed by the district in the  
7 next 12-month period that is not pledged to pay the principal of or  
8 interest on district bonds; or

9 (3) a district bond that has been authorized but not  
10 sold.

11 (c) If a tax or bond is pledged to pay the loan, the loan  
12 shall mature not later than the first anniversary of the date the  
13 loan is made. If revenues of the district are pledged for payment  
14 of the loan, the loan shall mature not later than the fifth  
15 anniversary of the date the loan is made.

16 (d) The district may not spend money obtained from a loan  
17 under this section for any purpose other than:

18 (1) the purpose for which the board declared the  
19 emergency; or

20 (2) if a tax or bond is pledged to pay the loan, the  
21 purpose for which the pledged tax was imposed or the pledged bond  
22 was authorized. (Acts 71st Leg., R.S., Ch. 355, Secs. 6.09(a), (b),  
23 (c).)

24 Source Law

25 Sec. 6.09. (a) The board may declare that  
26 funds are not available to meet lawfully authorized  
27 obligations of the district, thereby creating an  
28 emergency, and may borrow money. To secure a loan, the  
29 board may pledge revenues of the district that are not  
30 pledged to pay any bonded indebtedness of the  
31 district, taxes of the district to be levied by the  
32 district in the succeeding 12-month period that are  
33 not pledged to pay the principal of or interest on  
34 bonds of the district, or bonds of the district that  
35 have been authorized but not sold.

36 (b) If taxes or bonds are pledged to pay the  
37 loan, the loan shall mature not later than 12 months  
38 after the date on which the loan is made. If revenues  
39 of the district are pledged for payment of the loan,  
40 the loan shall mature not more than five years after  
41 the date on which the loan is made.

42 (c) The district may not spend money obtained  
43 from a loan under this section for any purpose other  
44 than the purpose for which the board declared the



1 emergency or, if taxes or bonds are pledged to pay the  
2 loan, for any purpose other than the purpose for which  
3 the pledged taxes were levied or the pledged bonds were  
4 authorized.

5 Revisor's Note

6 Section 6.09(a), Chapter 355, Acts of the 71st  
7 Legislature, Regular Session, 1989, refers to  
8 "lawfully authorized obligations." The revised law  
9 omits "lawfully" because in context a "lawful"  
10 obligation is included in the meaning of an  
11 "authorized" obligation.

12 Revised Law

13 Sec. 1005.161. RESTRICTION ON INVESTMENT. The board may  
14 invest operating, depreciation, or building reserves only in funds  
15 or securities specified by Chapter 2256, Government Code. (Acts  
16 71st Leg., R.S., Ch. 355, Sec. 6.09(d).)

17 Source Law

18 (d) The board may not invest operating,  
19 depreciation, or building reserves in funds or  
20 securities other than those specified by Article 836  
21 or 837, Revised Statutes.

22 Revisor's Note

23 Section 6.09(d), Chapter 355, Acts of the 71st  
24 Legislature, Regular Session, 1989, prohibits the  
25 board of directors of the Baylor County Hospital  
26 District from investing reserves in funds or  
27 securities not specified by Article 836 or 837,  
28 Revised Statutes. Articles 836 and 837 were impliedly  
29 repealed by the Public Funds Investment Act of 1987  
30 (Article 842a-2, Vernon's Texas Civil Statutes), which  
31 was revised in 1993 as Chapter 2256, Government Code.  
32 Chapter 2256 defines "local government" to include  
33 hospital districts and applies to the district by its  
34 own terms. The revised law therefore substitutes a  
35 reference to Chapter 2256, Government Code, for the  
36 references to Articles 836 and 837.

37 [Sections 1005.162-1005.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

2 Revised Law

3 Sec. 1005.201. GENERAL OBLIGATION BONDS. The board may  
4 issue and sell general obligation bonds authorized by an election  
5 in the name and on the faith and credit of the district to:

6 (1) acquire, purchase, construct, repair, or renovate  
7 buildings or improvements;

8 (2) equip buildings or improvements for hospital  
9 system purposes; or

10 (3) acquire and operate a mobile emergency medical  
11 service. (Acts 71st Leg., R.S., Ch. 355, Sec. 7.01.)

12 Source Law

13 Sec. 7.01. If authorized by an election, the  
14 board may issue and sell bonds in the name and on the  
15 faith and credit of the hospital district to:

16 (1) purchase, construct, acquire, repair,  
17 or renovate buildings or improvements;

18 (2) equip buildings or improvements for  
19 hospital system purposes; or

20 (3) acquire and operate a mobile emergency  
21 medical service.

22 Revised Law

23 Sec. 1005.202. TAX TO PAY GENERAL OBLIGATION  
24 BONDS. (a) At the time general obligation bonds are issued by the  
25 district under Section 1005.201, the board shall impose an ad  
26 valorem tax at a rate sufficient to create an interest and sinking  
27 fund to pay the principal of and interest on the bonds as the bonds  
28 mature.

29 (b) The tax required by this section together with any other  
30 tax the district imposes in any year may not exceed the limit  
31 approved by the voters at the election authorizing the imposition  
32 of the tax. (Acts 71st Leg., R.S., Ch. 355, Sec. 7.02.)

33 Source Law

34 Sec. 7.02. (a) At the time the bonds are issued  
35 by the district, the board shall levy a tax.

36 (b) The tax must be sufficient to create an  
37 interest and sinking fund to pay the principal of and  
38 interest on the bonds as they mature.

39 (c) In any year, the tax together with any other  
40 tax the district levies may not exceed the limit  
41 approved by the voters at the election authorizing the  
42 levy of taxes.

1 Revisor's Note

2 Section 7.02, Chapter 355, Acts of the 71st  
3 Legislature, Regular Session, 1989, requires the  
4 district to impose a tax sufficient to pay the  
5 principal of and interest on bonds. The revised law  
6 specifies that the tax is an "ad valorem" tax because  
7 it is clear from the source law that it is a property  
8 tax and "ad valorem" is the term most commonly used in  
9 relation to a property tax.

10 Revised Law

11 Sec. 1005.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
12 district may issue general obligation bonds only if the bonds are  
13 authorized by a majority of voters voting at an election held for  
14 that purpose.

15 (b) The board may order a general obligation bond election.  
16 The order calling the election must specify:

- 17 (1) the nature and date of the election;  
18 (2) the hours during which the polls must be open;  
19 (3) the location of the polling places;  
20 (4) the amount of the bonds to be authorized; and  
21 (5) the maximum maturity of the bonds.

22 (c) Notice of a bond election shall be given as provided by  
23 Section 1251.003, Government Code.

24 (d) The board shall declare the results of the election.  
25 (Acts 71st Leg., R.S., Ch. 355, Sec. 7.03.)

26 Source Law

27 Sec. 7.03. (a) The district may not issue  
28 general obligation bonds until the bonds are  
29 authorized by a majority of the qualified voters of the  
30 district voting at an election called and held for that  
31 purpose.

32 (b) The board may order a bond election. The  
33 order calling the election must state the nature and  
34 date of the election, the hours during which the polls  
35 must be open, the location of the polling places, the  
36 amount of bonds to be authorized, and the maximum  
37 maturity of the bonds.

38 (c) Notice of a bond election shall be given as  
39 provided by Article 704, Revised Statutes.

40 (d) The board shall canvass the returns and  
41 declare the results of the election.

1 Revisor's Note

2 (1) Section 7.03(a), Chapter 355, Acts of the  
3 71st Legislature, Regular Session, 1989, provides for  
4 the issuance of general obligation bonds if approved  
5 by a majority of the "qualified" voters "of the  
6 district." The revised law omits the quoted language  
7 as unnecessary in this context because Chapter 11,  
8 Election Code, governs eligibility to vote in an  
9 election in this state and allows only "qualified  
10 voters" who are residents of the territory covered by  
11 the election to vote in an election.

12 (2) Section 7.03(a), Chapter 355, Acts of the  
13 71st Legislature, Regular Session, 1989, provides that  
14 the district may not issue general obligation bonds  
15 until authorized by an election "called and held" for  
16 that purpose. The revised law omits references to  
17 "calling" an election because, in this context,  
18 "calling" an election is included within the meaning  
19 of "holding" an election. Under Chapter 3, Election  
20 Code, all elections must be ordered (called) before  
21 they may be held.

22 (3) Section 7.03(c), Chapter 355, Acts of the  
23 71st Legislature, Regular Session, 1989, refers to  
24 Article 704, Revised Statutes, which specifies certain  
25 notice requirements for a bond election. That  
26 provision was codified in 1999 as Section 1251.003,  
27 Government Code. The revised law is drafted  
28 accordingly.

29 (4) Section 7.03(d), Chapter 355, Acts of the  
30 71st Legislature, Regular Session, 1989, provides that  
31 "[t]he board shall canvass the returns" of a bond  
32 election. The revised law omits this requirement  
33 because it duplicates Section 67.002, Election Code,  
34 which requires the governing body of a political

1 subdivision that orders an election to canvass the  
2 returns.

3 Revised Law

4 Sec. 1005.204. REVENUE BONDS. (a) The board may issue  
5 revenue bonds to:

6 (1) acquire, purchase, construct, repair, renovate,  
7 or equip buildings or improvements for hospital system purposes;

8 (2) acquire sites to be used for hospital system  
9 purposes; or

10 (3) acquire and operate a mobile emergency medical  
11 service to assist the district in carrying out its hospital  
12 purposes.

13 (b) The bonds must be payable from and secured by a pledge of  
14 all or part of the revenues derived from the operation of the  
15 district's hospital system.

16 (c) The bonds may be additionally secured by a mortgage or  
17 deed of trust lien on all or part of district property.

18 (d) The bonds must be issued in the manner provided by  
19 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
20 Code, for issuance of revenue bonds by a county hospital authority.

21 (Acts 71st Leg., R.S., Ch. 355, Sec. 7.04.)

22 Source Law

23 Sec. 7.04. (a) The board may issue revenue  
24 bonds to:

25 (1) purchase, construct, acquire, repair,  
26 equip, or renovate buildings or improvements for  
27 hospital system purposes;

28 (2) acquire sites to be used for hospital  
29 system purposes; or

30 (3) acquire and operate a mobile emergency  
31 medical service to assist the district in carrying out  
32 its hospital purposes.

33 (b) The bonds must be payable from and secured  
34 by a pledge of all or part of the revenues derived from  
35 the operation of the district's hospital system. The  
36 bonds may be additionally secured by a mortgage or deed  
37 of trust lien on all or part of district property.

38 (c) The bonds must be issued in the manner  
39 provided by Sections 8, 10, 11, 12, and 13, County  
40 Hospital Authority Act (Article 4494r, Vernon's Texas  
41 Civil Statutes), for issuance of revenue bonds by  
42 county hospital authorities.

43 Revisor's Note

44 Section 7.04(c), Chapter 355, Acts of the 71st

1 Legislature, Regular Session, 1989, refers to Sections  
2 8, 10, 11, 12, and 13, County Hospital Authority Act  
3 (Article 4494r, Vernon's Texas Civil Statutes). Those  
4 provisions were codified in 1989 as Sections 264.042,  
5 264.043, and 264.046-264.049, Health and Safety Code.  
6 The revised law is drafted accordingly.

7 Revised Law

8 Sec. 1005.205. MATURITY. District bonds must mature not  
9 later than 50 years after the date of issuance. (Acts 71st Leg.,  
10 R.S., Ch. 355, Sec. 7.06 (part).)

11 Source Law

12 Sec. 7.06. District bonds must mature not more  
13 than 50 years after the date of their issuance and  
14 . . . . .

15 Revisor's Note

16 Section 7.06, Chapter 355, Acts of the 71st  
17 Legislature, Regular Session, 1989, provides in part  
18 that bonds issued under Chapter 355 must bear interest  
19 at a rate not to exceed that provided by Chapter 3,  
20 Acts of the 61st Legislature, Regular Session, 1969  
21 (Article 717k-2, Vernon's Texas Civil Statutes). The  
22 maximum interest rate noted in Chapter 3 was revised in  
23 1999 as Section 1204.006, Government Code. Section  
24 1204.006 permits a public agency, including a hospital  
25 district, to issue public securities at any net  
26 effective interest rate of 15 percent or less and  
27 applies to the district under Section 1204.001,  
28 Government Code. The revised law omits the reference  
29 because it duplicates Section 1204.006. The omitted  
30 law reads:

31 Sec. 7.06. [District bonds] . . . must  
32 bear interest at a rate not to exceed that  
33 provided by Chapter 3, Acts of the 61st  
34 Legislature, Regular Session, 1969 (Article  
35 717k-2, Vernon's Texas Civil Statutes).

36 Revised Law

37 Sec. 1005.206. EXECUTION OF BONDS. (a) The board

1 president shall execute district bonds in the district's name.

2 (b) The board secretary shall countersign the bonds in the  
3 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
4 R.S., Ch. 355, Sec. 7.07.)

5 Source Law

6 Sec. 7.07. The president of the board shall  
7 execute the bonds in the name of the district, and the  
8 secretary of the board shall countersign the bonds in  
9 the manner provided by the Texas Uniform Facsimile  
10 Signature of Public Officials Act (Article 717j-1,  
11 Vernon's Texas Civil Statutes).

12 Revisor's Note

13 Section 7.07, Chapter 355, Acts of the 71st  
14 Legislature, Regular Session, 1989, refers to the  
15 Texas Uniform Facsimile Signature of Public Officials  
16 Act (Article 717j-1, Vernon's Texas Civil Statutes).  
17 That statute was codified in 1999 as Chapter 618,  
18 Government Code. The revised law is drafted  
19 accordingly.

20 Revised Law

21 Sec. 1005.207. BONDS NOT SUBJECT TO TAXATION. The  
22 following are not subject to taxation by the state or by a political  
23 subdivision of the state:

- 24 (1) bonds issued by the district;
- 25 (2) any transaction relating to the bonds; and
- 26 (3) profits made in the sale of the bonds. (Acts 71st  
27 Leg., R.S., Ch. 355, Sec. 7.11 (part).)

28 Source Law

29 Sec. 7.11. . . . bonds issued by the district,  
30 any transactions relating to the bonds, and profits  
31 made in the sale of the bonds are free from taxation by  
32 the state or by any city, county, special district, or  
33 other political subdivision of the state.

34 Revised Law

35 Sec. 1005.208. REFUNDING BONDS. (a) The board may issue  
36 refunding bonds to refund outstanding indebtedness issued or  
37 assumed by the district.

38 (b) Refunding bonds may be:

- 39 (1) sold, with the proceeds of the refunding bonds

1 applied to the payment of the bonds to be refunded; or

2 (2) exchanged in whole or in part for not less than a  
3 similar principal amount of outstanding indebtedness. (Acts 71st  
4 Leg., R.S., Ch. 355, Secs. 7.05(a), (c) (part).)

5 Source Law

6 Sec. 7.05. (a) Refunding bonds of the district  
7 may be issued to refund and pay off an outstanding  
8 indebtedness the district has issued or assumed.

9 (c) The refunding bonds may be sold and the  
10 proceeds applied to the payment of outstanding  
11 indebtedness or may be exchanged in whole or in part  
12 for not less than a similar principal amount of  
13 outstanding indebtedness. . . .

14 Revisor's Note

15 Sections 7.05(b) and (c), Chapter 355, Acts of  
16 the 71st Legislature, Regular Session, 1989, require  
17 the Baylor County Hospital District to issue refunding  
18 bonds in the manner prescribed by Article 717k-3  
19 (Vernon's Texas Civil Statutes), and, for refunding  
20 bonds that will be sold, to issue the bonds and to make  
21 payments on the bonds in the manner prescribed by  
22 Article 717k (Vernon's Texas Civil Statutes). The  
23 revised law omits these provisions as unnecessary.  
24 Articles 717k and 717k-3 were codified in 1999 as  
25 Chapter 1207, Government Code. Chapter 1207  
26 prescribes procedures applicable to refunding  
27 securities. The omitted law reads:

28 (b) The bonds must be issued in the  
29 manner provided by Chapter 784, Acts of the  
30 61st Legislature, Regular Session, 1969  
31 (Article 717k-3, Vernon's Texas Civil  
32 Statutes).

33 (c) . . . If the refunding bonds are  
34 to be sold and the proceeds applied to the  
35 payment of outstanding indebtedness, the  
36 refunding bonds must be issued and payments  
37 made in the manner provided by Chapter 503,  
38 Acts of the 54th Legislature, Regular  
39 Session, 1955 (Article 717k, Vernon's Texas  
40 Civil Statutes).

41 Revisor's Note  
42 (End of Subchapter)

43 (1) Section 7.08, Chapter 355, Acts of the 71st  
44 Legislature, Regular Session, 1989, provides that the



1 bonds are subject to the law governing counties that  
2 relates to bond approval by the attorney general and  
3 registration of the bonds by the comptroller. Section  
4 7.08 also provides that after approval and  
5 registration the bonds are "incontestable for any  
6 cause." The revised law omits these provisions as  
7 superseded by Chapter 1202, Government Code (enacted  
8 as Article 3, Chapter 53, Acts of the 70th Legislature,  
9 2nd Called Session, 1987). Section 1202.003(a),  
10 Government Code, requires that bonds be submitted to  
11 the attorney general. Section 1202.003(b), Government  
12 Code, provides for approval of the bonds by the  
13 attorney general and requires the attorney general to  
14 submit the approved bonds to the comptroller for  
15 registration. Section 1202.005, Government Code,  
16 requires registration of the bonds by the comptroller.  
17 Section 1202.006, Government Code, provides that after  
18 approval and registration the bonds are incontestable  
19 and binding obligations. Chapter 1202, Government  
20 Code, applies to bonds issued under this chapter by  
21 application of Section 1202.001, Government Code. The  
22 omitted law reads:

23           Sec. 7.08. (a) District bonds are  
24 subject to the same requirements with  
25 regard to approval by the attorney general  
26 and registration by the comptroller of  
27 public accounts as the law provides for  
28 approval and registration of bonds issued  
29 by counties.

30           (b) On approval by the attorney  
31 general and registration by the comptroller  
32 of public accounts, the bonds are  
33 incontestable for any cause.

34           (2) Section 7.09, Chapter 355, Acts of the 71st  
35 Legislature, Regular Session, 1989, provides that  
36 bonds issued under that act are legal and authorized  
37 investments for certain entities. The revised law  
38 omits that provision as unnecessary. Section 7.09  
39 provides that revenue bonds are legal and authorized

1 investments for banks, savings banks, trust companies,  
2 savings and loan associations, insurance companies,  
3 fiduciaries, trustees, guardians, and sinking funds of  
4 cities, counties, school districts, and other  
5 political subdivisions of the state. As to several of  
6 the entities listed, Section 7.09 has been superseded  
7 and impliedly repealed. Investments in securities by  
8 banks are regulated by Section 34.101, Finance Code  
9 (enacted in 1995 as Section 5.101, Texas Banking Act  
10 (Article 342-5.101, Vernon's Texas Civil Statutes)).  
11 Investments in securities by savings banks are  
12 regulated by Section 93.001(c)(10), Finance Code  
13 (enacted in 1993 as Section 7.15(10), Texas Savings  
14 Bank Act (Article 489e, Vernon's Texas Civil  
15 Statutes)). Investments in securities by trust  
16 companies are regulated by Section 184.101, Finance  
17 Code (enacted in 1997 as Section 5.101, Texas Trust  
18 Company Act (Article 342a-5.101, Vernon's Texas Civil  
19 Statutes)). Investments in securities by savings and  
20 loan associations are regulated by Sections 63.002 and  
21 64.001, Finance Code. As to the remaining entities  
22 listed, Section 7.09 duplicates Section 1201.041,  
23 Government Code. Section 1201.041, Government Code,  
24 applies to bonds issued under this chapter by  
25 application of Section 1201.002, Government Code. The  
26 revised law omits the reference to sinking funds of  
27 this state because it has been superseded by Section  
28 404.024, Government Code (enacted in 1985 as Section  
29 2.014, Treasury Act (Article 4393-1, Vernon's Texas  
30 Civil Statutes)), which governs the investment of  
31 state funds. Section 404.024(b)(10), Government Code,  
32 authorizes the investment of state funds in  
33 obligations of political subdivisions, including  
34 hospital districts. The omitted law reads:

1                   Sec. 7.09. District bonds and  
2 indebtedness assumed by the district are  
3 legal and authorized investments for:

- 4                   (1) banks;  
5                   (2) savings banks;  
6                   (3) trust companies;  
7                   (4) savings and loan  
8 associations;  
9                   (5) insurance companies;  
10                  (6) fiduciaries;  
11                  (7) trustees;  
12                  (8) guardians; and  
13                  (9) sinking funds of cities,  
14 counties, school districts, and other  
15 political subdivisions of the state and  
16 other public funds of the state and its  
17 agencies, including the permanent school  
18 fund.

19                  (3) Section 7.10, Chapter 355, Acts of the 71st  
20 Legislature, Regular Session, 1989, provides that  
21 bonds issued under that act may secure deposits of  
22 public funds of the state or political subdivisions of  
23 the state. The revised law omits the provision as  
24 impliedly repealed by Section 404.0221, Government  
25 Code (enacted in 1995), which lists eligible  
26 collateral for deposits of state funds by the  
27 comptroller, and by Chapter 2257, Government Code  
28 (enacted in 1989 as Article 2529d, Vernon's Texas Civil  
29 Statutes), which governs eligible collateral for  
30 deposits of funds of other public agencies, including  
31 political subdivisions. The omitted law reads:

32                   Sec. 7.10. District bonds are  
33 eligible to secure deposits of public funds  
34 of the state and of cities, counties, school  
35 districts, and other political subdivisions  
36 of the state. The bonds are lawful and  
37 sufficient security for deposits to the  
38 extent of their value if accompanied by all  
39 unmatured coupons.

40                  [Sections 1005.209-1005.250 reserved for expansion]

41                                   SUBCHAPTER F. AD VALOREM TAX

42   Revised Law

43                  Sec. 1005.251. IMPOSITION OF TAX. (a) The board shall  
44 impose a tax on all property in the district subject to hospital  
45 district taxation.

46                  (b) The tax may be used to pay:

- 47                   (1) indebtedness issued or assumed by the district;

1 and

2 (2) the maintenance and operating expenses of the  
3 district and the district's hospital system.

4 (c) The district may not impose a tax to pay the principal of  
5 or interest on a revenue bond issued under this chapter. (Acts 71st  
6 Leg., R.S., Ch. 355, Secs. 8.01(c), (d), 8.02(b).)

7 Source Law

8 [Sec. 8.01]

9 (c) The taxes may be used to pay:

10 (1) the indebtedness issued or assumed by  
11 the district; and

12 (2) the maintenance and operating expenses  
13 of the district and the district's hospital system.

14 (d) The district may not levy taxes to pay the  
15 principal of or interest on revenue bonds issued under  
16 this Act.

17 [Sec. 8.02]

18 (b) The board shall levy taxes on all property  
19 in the district subject to hospital district taxation.

20 Revised Law

21 Sec. 1005.252. TAX RATE. (a) The board may impose an  
22 annual tax at a rate not to exceed the limit approved by the voters  
23 at the election authorizing the imposition of the tax.

24 (b) The tax rate on all taxable property in the district for  
25 all purposes may not exceed 75 cents on each \$100 assessed value of  
26 the property according to the most recent certified tax appraisal  
27 roll of the district.

28 (c) In setting the tax rate, the board shall consider the  
29 income of the district from sources other than taxation. (Acts 71st  
30 Leg., R.S., Ch. 355, Secs. 8.01(a), (b), 8.03 (part).)

31 Source Law

32 Sec. 8.01. (a) The board may annually levy  
33 taxes in an amount not to exceed the limit approved by  
34 the voters at the election authorizing the levy of  
35 taxes.

36 (b) The tax rate for all purposes may not exceed  
37 75 cents on each \$100 valuation of all taxable property  
38 in the district.

39 Sec. 8.03. In setting the tax rate, the board  
40 shall take into consideration the income of the  
41 district from sources other than taxation. . . .

42 Revisor's Note

43 (1) Section 8.01, Chapter 355, Acts of the 71st

1 Legislature, Regular Session, 1989, refers to a tax  
2 rate based on "each \$100 valuation" of all taxable  
3 property in the district. The revised law substitutes  
4 for the quoted phrase a reference to "each \$100  
5 assessed value of the property according to the most  
6 recent certified tax appraisal roll" of the district  
7 to conform to the terminology of the Tax Code,  
8 including Section 26.01 of that code, requiring the  
9 chief appraiser of an appraisal district to certify to  
10 the tax assessor of each taxing unit that has property  
11 in the appraisal district an appraisal roll that lists  
12 the properties taxable by that taxing unit and the  
13 value of those properties.

14 (2) Section 8.03, Chapter 355, Acts of the 71st  
15 Legislature, Regular Session, 1989, requires the board  
16 of the Baylor County Hospital District to certify the  
17 tax rate to the tax assessor-collector. The revised  
18 law omits that provision because Section 26.01, Tax  
19 Code, requires the chief appraiser of an appraisal  
20 district to certify to the tax assessor of each taxing  
21 unit that has property in the appraisal district an  
22 appraisal roll that lists the properties taxable by  
23 that taxing unit and the value of those properties.  
24 The omitted law reads:

25 Sec. 8.03. . . . On determination  
26 of the amount of tax required to be levied,  
27 the board shall make the levy and certify it  
28 to the tax assessor-collector.

29 Revised Law

30 Sec. 1005.253. TAX ASSESSOR-COLLECTOR. The board may  
31 provide for the appointment of a tax assessor-collector for the  
32 district or may contract for the assessment and collection of taxes  
33 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 355, Sec.  
34 8.04(b).)

35 Source Law

36 (b) The board may provide for the appointment of

1 a tax assessor-collector for the district or may  
2 contract for the assessment and collection of taxes as  
3 provided by the Tax Code.

4 Revisor's Note

5 Section 8.04(a), Chapter 355, Acts of the 71st  
6 Legislature, Regular Session, 1989, provides that the  
7 Tax Code governs the appraisal, assessment, and  
8 collection of district taxes. The revised law omits  
9 this provision as unnecessary because Section 1.02,  
10 Tax Code, requires all taxing units of government to  
11 administer the assessment and collection of an ad  
12 valorem tax in conformity with Title 1, Tax Code. The  
13 omitted law reads:

14 Sec. 8.04. (a) The Tax Code governs  
15 the appraisal, assessment, and collection  
16 of district taxes.

17 Revisor's Note  
18 (End of Subchapter)

19 Section 8.02(a), Chapter 355, Acts of the 71st  
20 Legislature, Regular Session, 1989, provides that the  
21 Baylor County Hospital District may impose taxes for  
22 the entire year in which the district is created. The  
23 revised law omits that provision as executed. The  
24 omitted law reads:

25 Sec. 8.02. (a) The board may levy  
26 taxes for the entire year in which the  
27 district is created.

28 Revisor's Note  
29 (End of Chapter)

30 (1) Section 5.01(a), Chapter 355, Acts of the  
31 71st Legislature, Regular Session, 1989, requires the  
32 Seymour Hospital Authority to transfer land,  
33 buildings, improvements, equipment, and funds to the  
34 Baylor County Hospital District after the district is  
35 created. The revised law omits the provision as  
36 executed. The omitted law reads:

37 Sec. 5.01. (a) On creation of the  
38 district, the authority shall convey or  
39 transfer to the district:  
40 (1) title to land, buildings,  
41 improvements, and equipment related to the

1 hospital system owned by the authority;  
 2 (2) operating funds and  
 3 reserves for operating expenses and funds  
 4 that have been budgeted by the authority to  
 5 provide health care for residents of the  
 6 district for the remainder of the fiscal  
 7 year in which the district is established;  
 8 and  
 9 (3) funds established for  
 10 payment of indebtedness assumed by the  
 11 district.

12 (2) Section 5.02(a), Chapter 355, Acts of the  
 13 71st Legislature, Regular Session, 1989, provides that  
 14 the district assumes any outstanding indebtedness  
 15 incurred by the Seymour Hospital Authority. The  
 16 revised law omits the provision as executed. The  
 17 omitted law reads:

18 (a) . . . the district:  
 19 . . .  
 20 (2) assumes any outstanding  
 21 indebtedness incurred by the authority in  
 22 providing hospital care for residents of  
 23 the territory of the district before the  
 24 district's creation; and  
 25 . . .

26 CHAPTER 1006. CAPROCK HOSPITAL DISTRICT

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13 CHAPTER 1006. CAPROCK HOSPITAL DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

- 16 Sec. 1006.001. DEFINITIONS. In this chapter:
- 17 (1) "Board" means the board of directors of the
- 18 district.
- 19 (2) "Director" means a member of the board.
- 20 (3) "District" means the Caprock Hospital District.

21 (New.)

22 Revisor's Note

23 The definitions of "board," "director," and

24 "district" are added to the revised law for drafting

25 convenience and to eliminate frequent, unnecessary

26 repetition of the substance of the definitions.

27 Revised Law

28 Sec. 1006.002. AUTHORITY FOR CREATION. The Caprock

29 Hospital District is created under the authority of Section 9,

30 Article IX, Texas Constitution. (Acts 58th Leg., R.S., Ch. 238,

31 Sec. 1 (part).)

32 Source Law

33 Sec. 1. Pursuant to authority granted by the

34 provisions of Section 9 of Article IX of the

35 Constitution of the State of Texas, Caprock Hospital

36 District is hereby authorized to be created and . . . .

1 Revised Law

2 Sec. 1006.003. ESSENTIAL PUBLIC FUNCTION. The district  
3 performs an essential public function in carrying out the purposes  
4 of this chapter. (Acts 58th Leg., R.S., Ch. 238, Sec. 8 (part).)

5 Source Law

6 Sec. 8. In carrying out the purposes of this Act  
7 the District will be performing an essential public  
8 function and . . . .

9 Revised Law

10 Sec. 1006.004. DISTRICT TERRITORY. (a) The boundaries of  
11 the district are coextensive with the boundaries of County  
12 Commissioners Precincts 1, 3, and 4 of Floyd County as those  
13 boundaries existed on January 1, 1963.

14 (b) Territory may not be annexed or added to the district.  
15 (Acts 58th Leg., R.S., Ch. 238, Sec. 1 (part).)

16 Source Law

17 Sec. 1. . . . [Caprock Hospital District]  
18 . . . as created shall have boundaries coextensive  
19 with the boundaries of Commissioners Precincts 1, 3  
20 and 4 of Floyd County, as constituted on January 1,  
21 1963, and no territory may be annexed or added to the  
22 District. . . .

23 Revised Law

24 Sec. 1006.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
25 OBLIGATION. The support and maintenance of the district may not  
26 become a charge against or obligation of this state. (Acts 58th  
27 Leg., R.S., Ch. 238, Sec. 18 (part).)

28 Source Law

29 Sec. 18. The support and maintenance of the  
30 Caprock Hospital District shall never become a charge  
31 against or obligation of the State of Texas, . . . .

32 Revised Law

33 Sec. 1006.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
34 The legislature may not make a direct appropriation for the  
35 construction, maintenance, or improvement of a district facility.  
36 (Acts 58th Leg., R.S., Ch. 238, Sec. 18 (part).)

37 Source Law

38 Sec. 18. . . . nor shall any direct  
39 appropriation be made by the Legislature for the  
40 construction, maintenance or improvement of any of the

1 facilities of such District.

2 Revisor's Note  
3 (End of Subchapter)

4 (1) Section 1, Chapter 238, Acts of the 58th  
5 Legislature, Regular Session, 1963, provides that the  
6 district has "such rights, powers and duties as are  
7 hereinafter prescribed." The revised law omits that  
8 provision as unnecessary because this chapter by its  
9 own terms provides the district's rights, powers, and  
10 duties. The omitted law reads:

11 Sec. 1. . . . The District shall  
12 possess such rights, powers and duties as  
13 are hereinafter prescribed.

14 (2) Section 2, Chapter 238, Acts of the 58th  
15 Legislature, Regular Session, 1963, provides that no  
16 provision is made for the transfer of properties or  
17 equipment to the district or the assumption of  
18 outstanding indebtedness incurred for hospital  
19 purposes by the district because no hospital, hospital  
20 system, or hospital facility existed before the  
21 creation of the district. The revised law omits this  
22 provision as executed. The omitted law reads:

23 Sec. 2. . . . There being no  
24 hospital, hospital system or hospital  
25 facilities of any nature presently owned by  
26 Floyd County or any city or town in the  
27 boundaries hereinabove set forth, no  
28 provisions are made herein for the transfer  
29 of properties or equipment or the  
30 assumption of outstanding indebtedness  
31 heretofore incurred for hospital purposes.

32 (3) Section 3 and part of Section 4, Chapter  
33 238, Acts of the 58th Legislature, Regular Session,  
34 1963, provide procedures for holding an election on  
35 the creation of the district and the imposition of an  
36 ad valorem tax. Because the creation of the district  
37 and the imposition of the tax were approved at the  
38 described election, the revised law omits those  
39 provisions as executed. The omitted law reads:

40 Sec. 3. The District shall not be  
41 created nor shall any tax therein be

1 authorized unless and until such creation  
2 and such tax are approved by a majority of  
3 the qualified property taxpaying electors  
4 of the District voting at an election called  
5 for such purpose. Such election shall be  
6 called by the Commissioners Court of Floyd  
7 County upon presentation of a petition  
8 therefor signed by at least fifty (50)  
9 qualified property taxpaying electors of  
10 the proposed District. Such election shall  
11 be held not less than twenty (20) nor more  
12 than thirty-five (35) days from the time  
13 such election is ordered by the  
14 Commissioners Court. The order calling the  
15 election shall specify the time and places  
16 of holding same, the form of ballot and the  
17 presiding judge for each voting place.  
18 Notice of election shall be given by  
19 publishing a substantial copy of the  
20 election order in a newspaper of general  
21 circulation in said District once a week for  
22 two (2) consecutive weeks, the first  
23 publication to appear at least fourteen  
24 (14) days prior to the date established for  
25 the election. The failure of any such  
26 election shall not operate to prohibit the  
27 calling and holding of subsequent elections  
28 for the same purpose. At said election  
29 there shall be submitted to the qualified  
30 property taxpaying electors of said  
31 District the proposition of whether or not  
32 the Caprock Hospital District shall be  
33 created with authority to levy annual taxes  
34 at a rate not to exceed Seventy-five Cents  
35 (75¢) on the One Hundred Dollars (\$100)  
36 valuation of all taxable property within  
37 such District for the purpose of meeting the  
38 requirements of the District's bonds, the  
39 indebtedness assumed by it and its  
40 maintenance and operating expenses, and a  
41 majority of the qualified property  
42 taxpaying electors of the District voting  
43 at said election in favor of the proposition  
44 shall be sufficient for its adoption. The  
45 ballots shall have printed thereon the  
46 following:

47 "FOR THE CREATION OF CAPROCK HOSPITAL  
48 DISTRICT; PROVIDING FOR THE LEVY OF A TAX  
49 NOT TO EXCEED SEVENTY-FIVE CENTS (75¢) ON  
50 THE ONE HUNDRED DOLLARS (\$100) VALUATION";  
51 and

52 "AGAINST THE CREATION OF CAPROCK  
53 HOSPITAL DISTRICT; PROVIDING FOR THE LEVY  
54 OF A TAX NOT TO EXCEED SEVENTY-FIVE CENTS  
55 (75¢) ON THE ONE HUNDRED DOLLARS (\$100)  
56 VALUATION."

57 Sec. 4. Within ten (10) days after  
58 such election is held the Commissioners  
59 Court in such county shall convene and  
60 canvass the returns of the election, and if  
61 a majority of the qualified property  
62 taxpaying electors voting at said election  
63 voted in favor of the proposition, the court  
64 shall so find and declare the Hospital  
65 District established and created and  
66 appoint five (5) persons as directors of the  
67 Hospital District to serve until the first  
68 Saturday in April following the creation  
69 and establishment of the District, at which

1 time . . . .

2 [Sections 1006.007-1006.050 reserved for expansion]

3 SUBCHAPTER B. DISTRICT ADMINISTRATION

4 Revised Law

5 Sec. 1006.051. BOARD ELECTION; TERM. (a) The board  
6 consists of five directors elected from the district at large.

7 (b) Directors serve two-year staggered terms unless  
8 four-year terms are established under Section 285.081, Health and  
9 Safety Code. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

10 Source Law

11 Sec. 4. . . . five (5) directors shall be  
12 elected. The three (3) directors receiving the  
13 highest vote at such first election shall serve for two  
14 (2) years; the other two (2) directors shall serve for  
15 one (1) year. Thereafter, all directors shall serve  
16 for a period of two (2) years and until their successor  
17 has been duly elected or appointed and  
18 qualified. . . .

19 Revisor's Note

20 (1) Section 4, Chapter 238, Acts of the 58th  
21 Legislature, Regular Session, 1963, provides that  
22 directors' elections are held on the first Saturday in  
23 April each year. The revised law omits that provision  
24 as impliedly repealed by a 1986 amendment to Section  
25 41.001, Election Code. Chapter 14, Acts of the 69th  
26 Legislature, 3rd Called Session, 1986, amended Section  
27 41.001, Election Code, to prescribe certain uniform  
28 election dates. Section 37 of that act required a  
29 political subdivision that had held its general  
30 election of officers on the first Saturday in April to  
31 hold that election on a uniform election date in May or  
32 to choose a different uniform election date on which to  
33 hold the election. The omitted law reads:

34 Sec. 4. . . . A regular election of  
35 directors shall be held on the first  
36 Saturday in April of each year and . . . .

37 (2) Section 4, Chapter 238, Acts of the 58th  
38 Legislature, Regular Session, 1963, prescribes the  
39 procedures for electing the initial board of directors

1 and the terms of the initial directors. The revised  
2 law omits those provisions as executed but codifies  
3 the establishment of a board consisting of five  
4 directors elected from the district at large. Section  
5 4 also provides that directors serve for two years.  
6 Section 285.081, Health and Safety Code, provides a  
7 mechanism by which the governing board of a hospital  
8 district may, on its own motion, order that the members  
9 are to be elected in even-numbered years to serve  
10 staggered four-year terms. The revised law is drafted  
11 accordingly and adds a reference to this provision for  
12 the convenience of the reader.

13 (3) Section 4, Chapter 238, Acts of the 58th  
14 Legislature, Regular Session, 1963, provides that the  
15 directors serve until their successors are "elected  
16 or appointed and qualified." The revised law omits  
17 this provision as unnecessary because it duplicates  
18 Section 17, Article XVI, Texas Constitution. That  
19 section provides that an officer in this state is to  
20 continue to perform the officer's official duties  
21 until a successor has qualified.

22 Revised Law

23 Sec. 1006.052. NOTICE OF ELECTION. At least 10 days before  
24 the date of an election of directors, notice of the election shall  
25 be published one time in a newspaper of general circulation in Floyd  
26 County. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

27 Source Law

28 Sec. 4. . . . notice of such election shall be  
29 published in a newspaper of general circulation in the  
30 county one (1) time at least ten (10) days prior to the  
31 date of election. . . .

32 Revised Law

33 Sec. 1006.053. BALLOT PETITION. A person who wants to have  
34 the person's name printed on the ballot as a candidate for director  
35 must file with the board's secretary a petition requesting that  
36 action. The petition must be:

- 1 (1) signed by at least 25 qualified voters; and  
2 (2) filed at least 25 days before the date of the  
3 election. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

4 Source Law

5 Sec. 4. . . . Any person desiring his name to  
6 be printed on the ballot as a candidate for director  
7 shall file a petition, signed by not less than  
8 twenty-five (25) qualified voters asking that such  
9 name be printed on the ballot, with the secretary of  
10 the Board of Directors of the District. Such petition  
11 shall be filed with such secretary at least  
12 twenty-five (25) days prior to the date of the  
13 election. . . .

14 Revised Law

15 Sec. 1006.054. QUALIFICATIONS FOR OFFICE. To be eligible  
16 to be elected or appointed as a director, a person must:

- 17 (1) be a resident of the district; and  
18 (2) own land in the district subject to taxation.  
19 (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

20 Source Law

21 Sec. 4. . . . No person shall be appointed or  
22 elected as a member of the Board of Directors of said  
23 Hospital District unless he is a resident thereof and  
24 owns land subject to taxation therein and unless at the  
25 time of such election or appointment he shall be more  
26 than twenty-one (21) years of age. . . .

27 Revisor's Note

28 Section 4, Chapter 238, Acts of the 58th  
29 Legislature, Regular Session, 1963, provides that a  
30 person "shall be more than twenty-one (21) years of  
31 age" to qualify for election as a board member. The  
32 revised law omits that provision because Chapter 129,  
33 Civil Practice and Remedies Code, establishes 18 years  
34 as the age of majority in this state. Section 129.002,  
35 Civil Practice and Remedies Code, provides that a law  
36 adopted before August 27, 1973, that extends a right,  
37 privilege, or obligation to an individual on the basis  
38 of a minimum age of 19, 20, or 21 years shall be  
39 interpreted as prescribing a minimum age of 18 years.  
40 Section 4 was enacted in 1963 and has not been amended.

1 Revised Law

2 Sec. 1006.055. DIRECTOR'S BOND; RECORD OF BOND AND OATH OR  
3 AFFIRMATION. (a) Each director shall execute a good and sufficient  
4 bond for \$1,000 that is:

5 (1) payable to the district; and

6 (2) conditioned on the faithful performance of the  
7 director's duties.

8 (b) The bond and the constitutional oath or affirmation of  
9 office shall be deposited with the depository bank of the district.

10 (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

11 Source Law

12 Sec. 4. . . . Each member of the Board of  
13 Directors shall qualify by executing the  
14 constitutional oath of office and shall execute a good  
15 and sufficient bond for One Thousand Dollars (\$1,000)  
16 payable to said District conditioned upon the faithful  
17 performance of his duties, and such oaths and bonds  
18 shall be deposited with the depository bank of the  
19 District for safekeeping. . . .

20 Revisor's Note

21 Section 4, Chapter 238, Acts of the 58th  
22 Legislature, Regular Session, 1963, requires each  
23 member of the board to execute the constitutional oath  
24 of office. The revised law omits this provision as  
25 unnecessary because Section 1, Article XVI, Texas  
26 Constitution, requires all officers in this state to  
27 take the oath or affirmation before assuming office.  
28 Additionally, the revised law provides for the deposit  
29 of the constitutional affirmation, as well as the  
30 constitutional oath because Section 1, Article XVI,  
31 Texas Constitution, permits an officer in this state  
32 to take either the constitutional oath or affirmation.

33 Revised Law

34 Sec. 1006.056. BOARD VACANCY. (a) If a vacancy occurs in  
35 the office of director, the remaining directors shall appoint a  
36 director for the unexpired term.

37 (b) If the number of directors is reduced to fewer than  
38 three for any reason, the remaining directors shall immediately



1 call a special election to fill the vacancies. If the remaining  
2 directors do not call the election, a district court on application  
3 of a district voter or taxpayer may issue an order requiring the  
4 directors to call an election. (Acts 58th Leg., R.S., Ch. 238, Sec.  
5 4 (part).)

6 Source Law

7 Sec. 4. . . . All vacancies in the office of  
8 director shall be filled for the unexpired term by  
9 appointment of the remainder of the Board of  
10 Directors. In the event the number of directors shall  
11 be reduced to less than three (3) for any reason, the  
12 remaining directors shall immediately call a special  
13 election to fill said vacancies, and upon failure to do  
14 so a district court may, upon application of any voter  
15 or taxpayer of the District, issue a mandate requiring  
16 that such election be ordered by the remaining  
17 directors. . . .

18 Revised Law

19 Sec. 1006.057. OFFICERS. The board shall elect from among  
20 its members a president and a secretary. (Acts 58th Leg., R.S., Ch.  
21 238, Sec. 4 (part).)

22 Source Law

23 Sec. 4. . . . The Board of Directors shall  
24 organize by electing one (1) of their number as  
25 president and one (1) of their number as  
26 secretary. . . .

27 Revised Law

28 Sec. 1006.058. VOTING REQUIREMENT. A concurrence of three  
29 directors is sufficient in any matter relating to district  
30 business. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

31 Source Law

32 Sec. 4. . . . a concurrence of three (3) shall  
33 be sufficient in all matters pertaining to the  
34 business of the District. . . .

35 Revisor's Note

36 Section 4, Chapter 238, Acts of the 58th  
37 Legislature, Regular Session, 1963, provides that  
38 three directors constitute a quorum. The revised law  
39 omits this provision as duplicative of general law.  
40 Section 311.013, Government Code (Code Construction  
41 Act), applicable to the revised law, provides that a  
42 majority of a board or commission constitutes a

1 quorum. The omitted law reads:

2                   Sec. 4. . . . Any three (3) members  
3 of the Board of Directors shall constitute a  
4 quorum and . . . .

5                                   Revised Law

6           Sec. 1006.059. DISTRICT           ADMINISTRATOR;           ASSISTANT  
7 ADMINISTRATOR. (a) The board shall appoint a qualified person as a  
8 district administrator.

9           (b) The board may appoint an assistant to the district  
10 administrator.

11           (c) The district administrator and any assistant district  
12 administrator serves at the will of the board and is entitled to the  
13 compensation determined by the board.

14           (d) On assuming the duties of district administrator, the  
15 administrator shall execute a bond payable to the district in an  
16 amount of not less than \$10,000 to be set by the board that:

17                   (1) is conditioned on the administrator performing the  
18 administrator's duties; and

19                   (2) contains any other condition the board may  
20 require. (Acts 58th Leg., R.S., Ch. 238, Sec. 5 (part).)

21                                   Source Law

22           Sec. 5. . . . The Board of Directors shall  
23 appoint a qualified person to be known as the  
24 Administrator or Manager of the Hospital District and  
25 may in its discretion appoint an Assistant to the  
26 Administrator or Manager. Such Administrator or  
27 Manager, and Assistant Administrator or Assistant  
28 Manager, if any, shall serve at the will of the Board  
29 and shall receive such compensation as may be fixed by  
30 the Board. The Administrator or Manager shall, upon  
31 assuming his duties, execute a bond payable to the  
32 Hospital District in an amount to be set by the Board  
33 of Directors, in no event less than Ten Thousand  
34 Dollars (\$10,000), conditioned that he shall perform  
35 the duties required of him and containing such other  
36 conditions as the Board may require. . . .

37                                   Revisor's Note

38           Section 5, Chapter 238, Acts of the 58th  
39 Legislature, Regular Session, 1963, provides that the  
40 board shall appoint a person as the "Administrator or  
41 Manager" of the district and may appoint an "Assistant  
42 Administrator or Assistant Manager." Throughout this

1 chapter, the revised law omits "manager" because, in  
2 context, "manager" is included within the meaning of  
3 "administrator."

4 Revised Law

5 Sec. 1006.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
6 The district administrator shall supervise the work and activities  
7 of the district subject to any limitation the board may prescribe.  
8 (Acts 58th Leg., R.S., Ch. 238, Sec. 5 (part).)

9 Source Law

10 Sec. 5. . . . The Administrator or Manager  
11 shall supervise all the work and activities of the  
12 District subject to such limitations as may be  
13 prescribed by the Board. . . .

14 Revised Law

15 Sec. 1006.061. EMPLOYEES. The board may employ  
16 technicians, nurses, and other employees considered necessary for  
17 the efficient operation of the district or may delegate that  
18 authority to the district administrator. (Acts 58th Leg., R.S.,  
19 Ch. 238, Sec. 5 (part).)

20 Source Law

21 Sec. 5. . . . The Board of Directors shall  
22 have the authority to employ such technicians, nurses  
23 and other employees of every kind and character as may  
24 be deemed necessary for the efficient operation of the  
25 District or may provide that the Administrator or  
26 Manager shall have the authority to employ such  
27 persons. . . .

28 Revised Law

29 Sec. 1006.062. RETIREMENT PROGRAM. The board may enter  
30 into a contract or agreement with this state or the federal  
31 government to establish or continue a retirement program for the  
32 benefit of the district's employees. (Acts 58th Leg., R.S., Ch.  
33 238, Sec. 5 (part).)

34 Source Law

35 Sec. 5. . . . The Board of Directors is also  
36 authorized to enter into such contracts or agreements  
37 with the State of Texas or the Federal Government as  
38 may be required to establish or continue a retirement  
39 program for the benefit of the District's employees.

40 [Sections 1006.063-1006.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 1006.101. DISTRICT RESPONSIBILITY. The district has  
4 full responsibility for:

5 (1) operating all hospital facilities for providing  
6 medical and hospital care to indigent persons in the district; and

7 (2) providing medical and hospital care for the  
8 district's needy residents. (Acts 58th Leg., R.S., Ch. 238, Secs. 2  
9 (part), 17 (part).)

10 Source Law

11 Sec. 2. . . . Such district shall assume full  
12 responsibility for providing medical and hospital care  
13 for its needy inhabitants. . . .

14 Sec. 17. . . . the said Caprock Hospital  
15 District shall assume full responsibility for the  
16 operation of all hospital facilities for the  
17 furnishing of medical and hospital care of indigent  
18 persons within its boundaries.

19 Revisor's Note

20 Sections 2 and 17, Chapter 238, Acts of the 58th  
21 Legislature, Regular Session, 1963, provide that the  
22 district "shall assume" full responsibility for  
23 providing medical and hospital care for the district's  
24 needy residents and for the operation of all hospital  
25 facilities for the furnishing of medical and hospital  
26 care to indigent persons in the district. The revised  
27 law substitutes "has" for the quoted language because  
28 the duty to assume responsibility is executed.

29 Revised Law

30 Sec. 1006.102. RESTRICTION ON POLITICAL SUBDIVISION  
31 TAXATION AND DEBT. A political subdivision located in the district  
32 may not impose taxes or issue bonds or other obligations for  
33 hospital purposes for medical treatment of indigent persons. (Acts  
34 58th Leg., R.S., Ch. 238, Sec. 17 (part).)

35 Source Law

36 Sec. 17. After creation of Caprock Hospital  
37 District as herein provided, no other municipality or  
38 political subdivision therein shall thereafter issue  
39 bonds or other evidence of indebtedness or levy taxes

1 for hospital purposes for medical treatment of  
2 indigent persons and . . . .

3 Revisor's Note

4 (1) Section 17, Chapter 238, Acts of the 58th  
5 Legislature, Regular Session, 1963, provides that  
6 "[a]fter creation of Caprock Hospital District," a  
7 municipality or political subdivision located in the  
8 district may not issue bonds or levy taxes for hospital  
9 purposes for medical treatment. The revised law omits  
10 "[a]fter creation of Caprock Hospital District" as  
11 executed. In addition, throughout this chapter, the  
12 revised law substitutes "impose" for "levy" because  
13 the terms are synonymous and the former is more  
14 commonly used. Finally, throughout this chapter, the  
15 revised law omits references to "municipality" when  
16 coupled with "political subdivision" because  
17 "municipality" is included within the meaning of  
18 "political subdivision."

19 (2) Section 17, Chapter 238, Acts of the 58th  
20 Legislature, Regular Session, 1963, provides that a  
21 municipality or political subdivision located in the  
22 district may not issue bonds or other "evidences of  
23 indebtedness" for hospital purposes. Throughout this  
24 chapter, the revised law substitutes "obligations" for  
25 "evidences of indebtedness" because in context the  
26 terms are synonymous, and "obligations" is more  
27 commonly used.

28 Revised Law

29 Sec. 1006.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
30 The board shall manage, control, and administer the district's  
31 hospitals and hospital system. (Acts 58th Leg., R.S., Ch. 238, Sec.  
32 5 (part).)

33 Source Law

34 Sec. 5. The Board of Directors shall manage,  
35 control and administer the hospitals and hospital  
36 system of the District. . . .

1 Revised Law

2 Sec. 1006.104. HOSPITAL SYSTEM. The district shall provide  
3 for the establishment of a hospital or hospital system in the  
4 district by:

- 5 (1) purchasing, constructing, acquiring, repairing,  
6 or renovating buildings and improvements;  
7 (2) equipping the buildings and improvements; and  
8 (3) administering the buildings and improvements for  
9 hospital purposes. (Acts 58th Leg., R.S., Ch. 238, Sec. 2 (part).)

10 Source Law

11 Sec. 2. The District herein authorized to be  
12 created shall provide for the establishment of  
13 hospital or hospital system within its boundaries by  
14 the purchase, construction, acquisition, repair or  
15 renovation of buildings and improvements and the  
16 equipping of same and the administration thereof for  
17 hospital purposes. . . .

18 Revised Law

19 Sec. 1006.105. RULES. The board may adopt rules for the  
20 operation of the district and as required to administer this  
21 chapter. (Acts 58th Leg., R.S., Ch. 238, Secs. 5 (part), 9 (part).)

22 Source Law

23 Sec. 5. . . . The District through its Board  
24 of Directors shall have the power and authority . . .  
25 to promulgate rules and regulations for the operation  
26 of the District. . . .

27 Sec. 9. The Board of Directors of such District  
28 . . . also shall be authorized . . . to make such rules  
29 and regulations as may be required to carry out the  
30 provisions of this Act.

31 Revisor's Note

32 Sections 5 and 9, Chapter 238, Acts of the 58th  
33 Legislature, Regular Session, 1963, provide that the  
34 board may "promulgate rules and regulations" for the  
35 operation of the district and "make such rules and  
36 regulations as may be required" to carry out the act.  
37 The revised law substitutes "adopt" for "promulgate"  
38 and "make" because the terms are synonymous and the  
39 former is more commonly used. The revised law also  
40 omits the reference to "regulations" because under

1 Section 311.005(5), Government Code (Code  
2 Construction Act), a rule is defined to include a  
3 regulation. That definition applies to the revised  
4 law.

5 Revised Law

6 Sec. 1006.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
7 board may prescribe:

8 (1) the method and manner of making purchases and  
9 expenditures by and for the district; and

10 (2) all accounting and control procedures. (Acts 58th  
11 Leg., R.S., Ch. 238, Sec. 9 (part).)

12 Source Law

13 Sec. 9. The Board of Directors of such District  
14 shall have the power to prescribe the method and manner  
15 of making purchases and expenditures, by and for such  
16 Hospital District, and also shall be authorized to  
17 prescribe all accounting and control procedures and  
18 . . . .

19 Revised Law

20 Sec. 1006.107. EMINENT DOMAIN. (a) The district may  
21 exercise the power of eminent domain to acquire a fee simple or  
22 other interest in any type of property located in district  
23 territory if the interest is necessary or convenient for the  
24 district to exercise a power, right, or privilege conferred by this  
25 chapter.

26 (b) The district must exercise the power of eminent domain  
27 in the manner provided by Chapter 21, Property Code. (Acts 58th  
28 Leg., R.S., Ch. 238, Sec. 12.)

29 Source Law

30 Sec. 12. The District created hereunder shall  
31 have the right and power of eminent domain for the  
32 purpose of acquiring by condemnation any and all  
33 property of any kind and character in fee simple, or  
34 any lesser interest therein, within the boundaries of  
35 the District, necessary or convenient to the powers,  
36 rights and privileges conferred by this Act, in the  
37 manner provided by General Law with respect to  
38 condemnation.

39 Revisor's Note

40 (1) Section 12, Chapter 238, Acts of the 58th  
41 Legislature, Regular Session, 1963, provides that the

1 district has the "right and power of eminent domain for  
2 the purpose of acquiring by condemnation any and all  
3 property of any kind and character." The revised law  
4 substitutes for the quoted phrase "may exercise the  
5 power of eminent domain to acquire . . . property"  
6 because the phrases have the same meaning and the  
7 latter phrase is consistent with modern usage in law  
8 relating to eminent domain.

9 (2) Section 12, Chapter 238, Acts of the 58th  
10 Legislature, Regular Session, 1963, provides that the  
11 district must exercise the power of eminent domain "in  
12 the manner provided by General Law with respect to  
13 condemnation." The revised law substitutes for  
14 "General Law" a reference to Chapter 21, Property  
15 Code, because that is the general law governing  
16 eminent domain.

#### 17 Revised Law

18 Sec. 1006.108. GIFTS AND ENDOWMENTS. The board may accept  
19 for the district a gift or endowment to be held in trust and  
20 administered by the board for the purposes and under the  
21 directions, limitations, or other provisions prescribed in writing  
22 by the donor that are not inconsistent with the proper management  
23 and objectives of the district. (Acts 58th Leg., R.S., Ch. 238,  
24 Sec. 15.)

#### 25 Source Law

26 Sec. 15. The Board of Directors of the Hospital  
27 District is authorized on behalf of such District to  
28 accept donations, gifts and endowments to be held in  
29 trust and administered by the Board of Directors for  
30 such purposes and under such directions, limitations,  
31 and provisions as may be prescribed in writing by the  
32 donor, not inconsistent with proper management and  
33 object of the Hospital District.

#### 34 Revisor's Note

35 Section 15, Chapter 238, Acts of the 58th  
36 Legislature, Regular Session, 1963, refers to  
37 "donations" and "gifts." The revised law omits the  
38 reference to "donations" as unnecessary because



1 "donations" is included within the meaning of "gifts."

2 Revised Law

3 Sec. 1006.109. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.

4 (a) The board may contract with a county or a municipality located  
5 outside the district for the care and treatment of sick or injured  
6 persons of that county or municipality.

7 (b) The board may contract with this state or a federal  
8 agency for the treatment of a sick or injured person for whom this  
9 state or the federal government is responsible. (Acts 58th Leg.,  
10 R.S., Ch. 238, Sec. 5 (part).)

11 Source Law

12 Sec. 5. . . . Such Board shall be authorized  
13 to contract with any county or incorporated  
14 municipality located outside the District for the care  
15 and treatment of the sick, diseased or injured persons  
16 of any such county or municipality and shall have the  
17 authority to contract with the State of Texas and  
18 agencies of the Federal Government for treatment of  
19 sick, diseased or injured persons for whom the State of  
20 Texas or the Federal Government are responsible. . . .

21 Revisor's Note

22 (1) Section 5, Chapter 238, Acts of the 58th  
23 Legislature, Regular Session, 1963, refers to an  
24 "incorporated" municipality. The revised law omits  
25 "incorporated" as unnecessary because under the Local  
26 Government Code all municipalities must be  
27 incorporated.

28 (2) Section 5, Chapter 238, Acts of the 58th  
29 Legislature, Regular Session, 1963, refers to the  
30 treatment of "sick, diseased or injured" persons. The  
31 revised law omits the references to "diseased" as  
32 unnecessary because "diseased" is included within the  
33 meaning of "sick."

34 Revised Law

35 Sec. 1006.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)

36 When an individual who resides in the district is admitted to a  
37 district facility, the district administrator shall have an inquiry  
38 made into the circumstances of:

1 (1) the patient; and

2 (2) the patient's relatives who are legally liable for  
3 the patient's support.

4 (b) If the district administrator determines that the  
5 patient or those relatives cannot pay all or part of the costs of  
6 the patient's care and treatment, the amount of the costs that  
7 cannot be paid becomes a charge against the district.

8 (c) If the district administrator determines that the  
9 patient or those relatives can pay for all or part of the costs of  
10 the patient's care and treatment, the patient or those relatives  
11 shall be ordered to pay the district a specified amount each week  
12 for the patient's support. The amount ordered must be  
13 proportionate to financial ability and may not exceed the actual  
14 per capita cost of maintenance.

15 (d) The district administrator may collect the amount from  
16 the patient's estate, or from a relative who is legally liable for  
17 the patient's support, in the manner provided by law for the  
18 collection of expenses of the last illness of a deceased person.

19 (e) If there is a dispute as to the ability to pay or doubt  
20 in the mind of the district administrator, the board shall hold a  
21 hearing and, after calling witnesses, shall:

22 (1) resolve the dispute or doubt; and

23 (2) issue an appropriate order. (Acts 58th Leg.,  
24 R.S., Ch. 238, Sec. 14.)

25 Source Law

26 Sec. 14. Whenever a patient residing within the  
27 District has been admitted to the facilities thereof,  
28 the Administrator or Manager shall cause inquiry to be  
29 made as to his circumstances and those of the relatives  
30 of such patient legally liable for his support. If he  
31 finds that such patient or said relatives are able to  
32 pay for his care and treatment, in whole or in part, an  
33 order shall be made directing such patient, or said  
34 relatives, to pay to the Hospital District for the  
35 support of such patient a specified sum per week in  
36 proportion to their financial ability, but such sum  
37 shall not exceed the actual per capita cost of  
38 maintenance. The Administrator or Manager shall have  
39 power and authority to collect such sums from the  
40 estate of the patient or his relatives legally liable  
41 for his support in the manner provided by law for the  
42 collection of expenses in the last illness of a  
43 deceased person. If the Administrator or Manager

1 finds that such patient or said relatives are not able  
2 to pay, either in whole or in part, for his care and  
3 treatment in such hospital, same shall become a charge  
4 upon the Hospital District as to the amount of the  
5 inability to pay. Should there be any dispute as to  
6 the ability to pay or doubt in the mind of the  
7 Administrator or Manager, the Board of Directors shall  
8 hear and determine same, after calling witnesses, and  
9 shall make such order or orders as may be proper.

10 Revised Law

11 Sec. 1006.111. AUTHORITY TO SUE AND BE SUED. The district,  
12 through the board, may sue and be sued. (Acts 58th Leg., R.S., Ch.  
13 238, Sec. 5 (part).)

14 Source Law

15 Sec. 5. . . . The District through its Board  
16 of Directors shall have the power and authority to sue  
17 and be sued and . . . .

18 [Sections 1006.112-1006.150 reserved for expansion]

19 SUBCHAPTER D. FINANCIAL ADMINISTRATION OF DISTRICT

20 Revised Law

21 Sec. 1006.151. BUDGET. (a) The district administrator  
22 shall prepare an annual budget for approval by the board. The  
23 budget must be for the fiscal year prescribed by Section 1007.152.

24 (b) Not later than August 31 of each year, the board shall  
25 publish notice of a public hearing on the proposed budget. The  
26 notice must be published one time in a newspaper of general  
27 circulation in the district at least 10 days before the date of the  
28 hearing. (Acts 58th Leg., R.S., Ch. 238, Secs. 6 (part), 16.)

29 Source Law

30 Sec. 6. . . . In addition, the Administrator  
31 or Manager shall prepare an annual budget for approval  
32 by the Board of Directors of said District. . . .

33 Sec. 16. The Board of Directors of said Hospital  
34 District shall cause to be prepared an annual budget  
35 based upon the fiscal year of the Hospital District in  
36 accordance with the provisions of Section 5 hereof and  
37 prior to September 1st of each year shall give notice  
38 of the public hearing on the proposed budget. Such  
39 notice shall be published in a newspaper of general  
40 circulation in the District one (1) time at least ten  
41 (10) days prior to the date set for the hearing.

42 Revised Law

43 Sec. 1006.152. FISCAL YEAR. The district operates on a  
44 fiscal year that begins on October 1 and ends on September 30.  
45 (Acts 58th Leg., R.S., Ch. 238, Sec. 6 (part).)



1 (c) To the extent that money in a depository bank is not  
2 insured by the Federal Deposit Insurance Corporation, the money  
3 must be secured in the manner provided by law for security of county  
4 funds.

5 (d) Membership on the district's board of an officer or  
6 director of a bank does not disqualify the bank from being  
7 designated as a depository bank. (Acts 58th Leg., R.S., Ch. 238,  
8 Sec. 10.)

9 Source Law

10 Sec. 10. The Board of Directors of the District  
11 shall name one (1) or more banks within the District to  
12 serve as depository for the funds of the District. All  
13 such funds shall, as derived and collected, be  
14 immediately deposited with such depository bank or  
15 banks except that sufficient funds shall be remitted  
16 to the bank or banks for the payment of principal of  
17 and interest on the outstanding bonds of the District  
18 in time that such money may be received by said bank or  
19 banks of payment on or prior to the date of maturity of  
20 such principal and interest so to be paid. To the  
21 extent that funds in the depository bank or banks are  
22 not insured by the Federal Deposit Insurance  
23 Corporation, they shall be secured in the manner  
24 provided by law for security of county funds.  
25 Membership on the Board of Directors of an officer or  
26 director of a bank shall not disqualify such bank from  
27 being designated as depository.

28 Revisor's Note

29 Section 10, Chapter 238, Acts of the 58th  
30 Legislature, Regular Session, 1963, refers to money  
31 deposited "as derived and collected." The revised law  
32 substitutes "on receipt" for the quoted language  
33 because the terms are synonymous, and the former is  
34 more commonly used.

35 Revised Law

36 Sec. 1006.156. BORROWING MONEY IN EMERGENCY; SECURITY. (a)  
37 The board may borrow money at a rate not to exceed the maximum  
38 annual percentage rate allowed by law for district obligations at  
39 the time the loan is made if the board declares that:

40 (1) money is not available to meet authorized  
41 obligations of the district; and

42 (2) an emergency exists.

43 (b) To secure a loan, the board may pledge:

1 (1) district revenues that are not pledged to pay  
2 bonded indebtedness of the district;

3 (2) district taxes to be imposed by the district in the  
4 next 12-month period that are not pledged to pay the principal of or  
5 interest on district bonds; or

6 (3) district bonds that have been authorized but not  
7 sold.

8 (c) A loan for which taxes or bonds are pledged must mature  
9 not later than the first anniversary of the date the loan is made. A  
10 loan for which district revenues are pledged must mature not later  
11 than the fifth anniversary of the date the loan is made.

12 (d) The board may not spend money obtained from a loan under  
13 this section for any purpose other than:

14 (1) the purpose for which the board declared an  
15 emergency; and

16 (2) if district taxes or bonds are pledged to pay the  
17 loan, the purpose for which the pledged taxes were imposed or the  
18 pledged bonds were authorized. (Acts 58th Leg., R.S., Ch. 238, Sec.  
19 7A.)

20 Source Law

21 Sec. 7A. (a) If the Board of Directors of the  
22 District declares that funds are not available to meet  
23 lawfully authorized obligations of the District and  
24 that an emergency exists, the Board of Directors may  
25 borrow money at a rate not to exceed the maximum annual  
26 percentage rate allowed by law for District  
27 obligations at the time the loan is made.

28 (b) To secure a loan, the Board of Directors may  
29 pledge:

30 (1) revenues of the District that are not  
31 pledged to pay bonded indebtedness of the District;

32 (2) District taxes to be levied by the  
33 District in the next 12-month period that are not  
34 pledged to pay the principal of or interest on District  
35 bonds; or

36 (3) District bonds that have been  
37 authorized but not sold.

38 (c) A loan for which taxes or bonds are pledged  
39 must mature not later than the anniversary of the date  
40 on which the loan is made. A loan for which District  
41 revenues are pledged must mature not later than the  
42 fifth anniversary of the date on which the loan is  
43 made.

44 (d) The Board of Directors may not spend money  
45 obtained from a loan under this section for any purpose  
46 other than the purpose for which the Board of Directors  
47 declared an emergency and, if taxes or bonds are  
48 pledged to pay the loan, for any purpose other than the

1 purpose for which the pledged taxes were levied or the  
2 pledged bonds were authorized.

3 Revisor's Note

4 Section 7A, Chapter 238, Acts of the 58th  
5 Legislature, Regular Session, 1963, refers to  
6 "lawfully authorized obligations." The revised law  
7 omits "lawfully" because, in context, a "lawful"  
8 obligation is included in the meaning of an  
9 "authorized" obligation.

10 [Sections 1006.157-1006.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Revised Law

13 Sec. 1006.201. GENERAL OBLIGATION BONDS. (a) The board may  
14 issue and sell general obligation bonds in the name and on the faith  
15 and credit of the district to purchase, construct, acquire, repair,  
16 or renovate buildings or improvements and to equip buildings and  
17 improvements for a hospital and the hospital system.

18 (b) The board shall issue the bonds in compliance with the  
19 applicable provisions of Subtitles A and C, Title 9, Government  
20 Code. (Acts 58th Leg., R.S., Ch. 238, Sec. 7 (part).)

21 Source Law

22 Sec. 7. The Board of Directors of the Hospital  
23 District shall have the power and authority to issue  
24 and sell its bonds in the name and upon the faith and  
25 credit of such Hospital District for the purchase,  
26 construction, acquisition, repair or renovation of  
27 buildings and improvements and equipping the same for  
28 hospitals and the hospital system, as determined by  
29 the Board, and for any or all of such purposes. . . .  
30 Such bonds shall be issued under the provisions of  
31 Chapter 1, Title 22 of the Revised Civil Statutes of  
32 Texas, as amended, but . . . .

33 Revisor's Note

34 (1) Section 7, Chapter 238, Acts of the 58th  
35 Legislature, Regular Session, 1963, provides that the  
36 board "shall have the power and authority to issue and  
37 sell its bonds in the name and upon the faith and  
38 credit of" the district. Because the type of bonds  
39 described by Section 7 are known as "general  
40 obligation bonds," the revised law is drafted

1 accordingly.

2 (2) Section 7, Chapter 238, Acts of the 58th  
3 Legislature, Regular Session, 1963, provides that  
4 bonds issued under that section "shall be issued under  
5 the provisions of Chapter 1, Title 22 of the Revised  
6 Civil Statutes of Texas, as amended." Chapter 1, Title  
7 22, Revised Statutes, was composed of V.A.C.S.  
8 Articles 701-717w. The relevant parts of those  
9 provisions were revised in 1999 as Subtitles A and C of  
10 Title 9, Government Code, and the revised law is  
11 drafted accordingly. The revised law omits the  
12 references to "as amended" throughout this chapter  
13 because under Section 311.027, Government Code (Code  
14 Construction Act), applicable to the revised law, a  
15 reference to a statute applies to all reenactments,  
16 revisions, or amendments of that statute unless  
17 expressly provided otherwise.

18 Revised Law

19 Sec. 1006.202. TAXES TO PAY GENERAL OBLIGATION BONDS. (a)  
20 At the time general obligation bonds are issued under Section  
21 1007.201, the board shall impose an ad valorem tax at a rate  
22 sufficient to:

23 (1) create an interest and sinking fund; and

24 (2) pay the principal of and interest on the bonds as  
25 the bonds mature.

26 (b) The tax required by this section together with any other  
27 tax the district imposes in any year may not exceed 75 cents on each  
28 \$100 assessed value of all taxable property in the district. (Acts  
29 58th Leg., R.S., Ch. 238, Sec. 7 (part).)

30 Source Law

31 Sec. 7. . . . At the time of the issuance of  
32 any such bonds, a tax shall be levied by the Board  
33 sufficient to create an interest and sinking fund and  
34 to pay the interest on and principal of said bonds as  
35 same mature, providing such tax together with any  
36 other taxes levied for said District shall not exceed  
37 Seventy Five Cents (75¢) on each One Hundred Dollars  
38 (\$100) valuation of taxable property in any one (1)



1 year. . . .

2 Revisor's Note

3 Section 7, Chapter 238, Acts of the 58th  
4 Legislature, Regular Session, 1963, requires the  
5 district to levy a tax sufficient to pay the principal  
6 of and interest on bonds. Other provisions revised in  
7 this chapter refer to the authority to assess and  
8 collect taxes. Throughout this chapter, the revised  
9 law substitutes "impose" for "levy," "assess," and  
10 "collect" for the reason stated in Revisor's Note (1)  
11 to Section 1006.102 and because "impose" is the term  
12 generally used in Title 1, Tax Code, and includes the  
13 levy, assessment, and collection of taxes. In  
14 addition, the revised law specifies that the tax is an  
15 "ad valorem" tax because it is clear from the source  
16 law that the tax is a property tax, and "ad valorem" is  
17 the term most commonly used in relation to a property  
18 tax.

19 Revised Law

20 Sec. 1006.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
21 board may issue general obligation bonds only if the bonds are  
22 authorized by a majority of the voters voting in an election held  
23 for that purpose.

24 (b) The board shall call the election. The election must be  
25 held in accordance with Chapter 1251, Government Code.

26 (c) The bond election order must specify:

- 27 (1) the date of the election;  
28 (2) the location of the polling places;  
29 (3) the presiding election officers;  
30 (4) the amount of the bonds to be authorized;  
31 (5) the maximum interest rate of the bonds; and  
32 (6) the maximum maturity of the bonds. (Acts 58th  
33 Leg., R.S., Ch. 238, Sec. 7 (part).)

34 Source Law

35 Sec. 7. . . . No bond shall be issued by such

1 Hospital District except refunding bonds, until  
2 authorized by a majority of the qualified property  
3 taxpaying electors of the District voting at an  
4 election called for such purpose. Such election shall  
5 be called by the Board of Directors and held in  
6 accordance with the provisions of Chapter 1, Title 22  
7 of the Revised Civil Statutes of Texas, as amended, and  
8 except as therein otherwise provided, shall be  
9 conducted in accordance with the General Laws of Texas  
10 pertaining to elections. . . . The election order  
11 shall specify the date of the election, the amount of  
12 bonds to be authorized, the maximum maturity thereof,  
13 the maximum rate of interest they are to bear, the  
14 place or places where the election shall be held and  
15 the presiding officers thereof. . . .

16 Revisor's Note

17 (1) Section 7, Chapter 238, Acts of the 58th  
18 Legislature, Regular Session, 1963, refers to a  
19 majority vote of the "qualified . . . electors of the  
20 District." The revised law omits the quoted language  
21 as unnecessary in this context because Chapter 11,  
22 Election Code, governs eligibility to vote in an  
23 election in this state and allows only "qualified"  
24 voters who are residents of the territory covered by  
25 the election to vote in an election. The revised law  
26 substitutes "voter" for "elector" because the former  
27 is the term used in the Election Code.

28 (2) Section 7, Chapter 238, Acts of the 58th  
29 Legislature, Regular Session, 1963, refers to  
30 "property taxpaying electors." The revised law omits  
31 the quoted language because in Hill v. Stone, 421 U.S.  
32 289, 95 S. Ct. 1637 (1975), the United States Supreme  
33 Court determined that property ownership as a  
34 qualification for voting is an unconstitutional denial  
35 of equal protection.

36 (3) Section 7, Chapter 238, Acts of the 58th  
37 Legislature, Regular Session, 1963, refers to an  
38 election held as provided by "Chapter 1, Title 22 of  
39 the Revised Civil Statutes of Texas, as amended." The  
40 election provisions of Chapter 1, Title 22, Revised  
41 Statutes, are revised as Chapter 1251, Government  
42 Code, and the revised law is drafted accordingly.

1           (4) Section 7, Chapter 238, Acts of the 58th  
2           Legislature, Regular Session, 1963, provides that  
3           "except as therein otherwise provided, [an election  
4           under Section 7] shall be conducted in accordance with  
5           the General Laws of Texas pertaining to elections."  
6           The revised law omits the quoted phrase as unnecessary  
7           because Section 1.002, Election Code, provides that  
8           the Election Code applies to all elections held in this  
9           state. An exception to the application of the Election  
10          Code in Chapter 1251, Government Code (the revision of  
11          the election provisions of Chapter 1, Title 22,  
12          Revised Statutes), would apply by its own terms.

13          (5) Section 7, Chapter 238, Acts of the 58th  
14          Legislature, Regular Session, 1963, requires the  
15          district to make provisions for defraying the costs of  
16          elections. The revised law omits that provision as  
17          unnecessary because it duplicates the substance of  
18          Section 1.014, Election Code. That section,  
19          applicable to the district under Section 1.002,  
20          Election Code, requires the district to pay the costs  
21          of an election. The omitted law reads:

22                    Sec. 7. . . . The District shall  
23                    make provisions for defraying the costs of  
24                    all elections called and held under the  
25                    provisions of this Act. . . .

26   Revised Law

27          Sec. 1006.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
28          The board president shall execute the general obligation bonds in  
29          the district's name.

30          (b) The board secretary shall attest the bonds as provided  
31          by Chapter 618, Government Code. (Acts 58th Leg., R.S., Ch. 238,  
32          Sec. 7 (part).)

33   Source Law

34                    Sec. 7. . . . [Such bonds] . . . shall be  
35                    executed in the name of the Hospital District and in  
36                    its behalf by the President of the Board and attested  
37                    by the Secretary as provided by Article 717j-1,  
38                    V.A.T.C.S., and . . . .

1 Revisor's Note

2 Section 7, Chapter 238, Acts of the 58th  
3 Legislature, Regular Session, 1963, provides that the  
4 bonds shall be "attested by the Secretary as provided  
5 by Article 717j-1, V.A.T.C.S." Article 717j-1 was  
6 codified in 1999 as Chapter 618, Government Code. The  
7 revised law is drafted accordingly.

8 Revised Law

9 Sec. 1006.205. REFUNDING BONDS. (a) The board may issue  
10 refunding bonds to refund outstanding general obligation bonds or  
11 other refundable indebtedness issued by the district.

12 (b) A refunding bond may be:

13 (1) sold, with the proceeds of the refunding bond  
14 applied to the payment of the bonds or other refundable  
15 indebtedness to be refunded; or

16 (2) exchanged in whole or in part for not less than a  
17 like principal amount of the bonds or other refundable indebtedness  
18 to be refunded.

19 (c) If a refunding bond is sold, the bond must be issued and  
20 the payments must be made in the manner provided by Subchapters B  
21 and C, Chapter 1207, Government Code. (Acts 58th Leg., R.S., Ch.  
22 238, Sec. 7 (part).)

23 Source Law

24 Sec. 7. . . . The bonds of the District may be  
25 issued for the purpose of refunding and paying off any  
26 bond or other refundable indebtedness issued by the  
27 District. Such refunding bonds may be sold and the  
28 proceeds thereof applied to the payment of any  
29 outstanding bonds or other refundable indebtedness, or  
30 may be exchanged in whole or in part for not less than a  
31 like principal amount of such outstanding bonds or  
32 refundable indebtedness; . . . provided further, that  
33 if such refunding bonds are to be sold and the proceeds  
34 thereof applied to the payment of any such outstanding  
35 bonds or other refundable indebtedness same shall be  
36 issued and payments made in the manner specified by  
37 Article 717k, Revised Civil Statutes of Texas, as  
38 amended.

39 Revisor's Note

40 (1) Section 7, Chapter 238, Acts of the 58th  
41 Legislature, Regular Session, 1963, provides that

1           refunding bonds may not bear interest at a rate that,  
2           when calculated in accordance with recognized standard  
3           bond interest cost tables, exceeds the average annual  
4           interest cost of the bonds or other refundable  
5           indebtedness to be refunded. The revised law omits  
6           that provision as impliedly repealed by Section 2(a),  
7           Chapter 3, Acts of the 61st Legislature, Regular  
8           Session, 1969 (Article 717k-2, Vernon's Texas Civil  
9           Statutes), which was revised in 1999 as Section  
10          1204.006(a), Government Code. Section 1204.006(a)  
11          permits a public agency to issue bonds at a net  
12          effective interest rate not to exceed 15 percent.  
13          Section 1204.006(a) applies to bonds issued under this  
14          chapter by application of Section 1204.001, Government  
15          Code. The omitted law reads:

16                    Sec. 7. . . . provided that if such  
17                    refunding bonds are to be exchanged for a  
18                    like amount of said outstanding bonds or  
19                    other refundable indebtedness, the interest  
20                    thereon computed in accordance with  
21                    recognized standard bond interest cost  
22                    tables shall not exceed the average  
23                    interest cost per annum so computed upon the  
24                    bonds or other indebtedness to be refunded;  
25                    and . . . .

26           (2) Section 7, Chapter 238, Acts of the 58th  
27          Legislature, Regular Session, 1963, provides that  
28          refunding bonds shall be issued and payments made in  
29          the manner specified by "Article 717k, Revised Civil  
30          Statutes of Texas, as amended." The applicable  
31          provisions of Article 717k were revised in 1999 as  
32          Subchapters B and C, Chapter 1207, Government Code,  
33          and the revised law is drafted accordingly.

34                                   Revised Law

35          Sec. 1006.206. BONDS EXEMPT FROM TAXATION. The following  
36          are exempt from taxation by this state or a political subdivision of  
37          this state:

- 38                    (1) bonds issued by the district;  
39                    (2) the transfer and issuance of the bonds; and

1 (3) the profit made in the sale of the bonds. (Acts  
2 58th Leg., R.S., Ch. 238, Sec. 8 (part).)

3 Source Law

4 Sec. 8. . . . any bonds issued by it and their  
5 transfer and the issuance therefrom, including any  
6 profits made in the sale thereof, shall at all times be  
7 free from taxation by the state or any municipality or  
8 political subdivision thereof.

9 Revisor's Note  
10 (End of Subchapter)

11 (1) Section 7, Chapter 238, Acts of the 58th  
12 Legislature, Regular Session, 1963, provides that the  
13 bonds are subject to the law governing counties that  
14 relates to bond approval by the attorney general and  
15 registration of the bonds by the comptroller. Section  
16 7 also provides that after approval and registration  
17 the bonds are incontestable. The revised law omits  
18 these provisions as superseded by Chapter 1202,  
19 Government Code (enacted as Article 3, Chapter 53,  
20 Acts of the 70th Legislature, 2nd Called Session,  
21 1987). Section 1202.003(a), Government Code, requires  
22 that bonds be submitted to the attorney general.  
23 Section 1202.003(b), Government Code, provides for  
24 approval of the bonds by the attorney general and  
25 requires the attorney general to submit the approved  
26 bonds to the comptroller for registration. Section  
27 1202.005, Government Code, requires registration of  
28 the bonds by the comptroller. Section 1202.006,  
29 Government Code, provides that after approval and  
30 registration, the bonds are incontestable and binding  
31 obligations. Chapter 1202, Government Code, applies  
32 to bonds issued under this chapter by application of  
33 Section 1202.001, Government Code. The omitted law  
34 reads:

35 Sec. 7. . . . shall be subject to the  
36 same requirements in the matter of approval  
37 by the Attorney General of Texas and  
38 registration by the Comptroller of Public  
39 Accounts of the State of Texas as are by law

1 provided for approval and registration of  
2 bonds issued by counties. After approval of  
3 any such bonds by the Attorney General and  
4 registration by the Comptroller, said bonds  
5 shall be incontestable. . . .

6 (2) Section 11, Chapter 238, Acts of the 58th  
7 Legislature, Regular Session, 1963, provides that  
8 bonds are authorized investments for certain entities.  
9 The revised law omits this provision as unnecessary.  
10 As to several of the entities listed, Section 11 has  
11 been superseded and impliedly repealed. Investments  
12 in securities by banks are regulated by Section  
13 34.101, Finance Code (enacted in 1995 as Section  
14 5.101, Texas Banking Act (Article 342-5.101, Vernon's  
15 Texas Civil Statutes)). Investments in securities by  
16 savings banks are regulated by Section 93.001(c)(10),  
17 Finance Code (enacted in 1993 as Section 7.15(10),  
18 Texas Savings Bank Act (Article 489e, Vernon's Texas  
19 Civil Statutes)). Investments in securities by trust  
20 companies are regulated by Section 184.101, Finance  
21 Code (enacted in 1997 as Section 5.101, Texas Trust  
22 Company Act (Article 342a-5.101, Vernon's Texas Civil  
23 Statutes)). Investments in securities by savings and  
24 loan associations are regulated by Sections 63.002 and  
25 64.001, Finance Code. As to the remaining entities  
26 listed, Section 11 is superseded by Section 1201.041,  
27 Government Code, enacted as Section 9, Bond Procedures  
28 Act of 1981 (Article 717k-6, Vernon's Texas Civil  
29 Statutes). Section 1201.041, Government Code, applies  
30 to bonds issued under this chapter by application of  
31 Section 1201.002, Government Code. The revised law  
32 omits the reference to sinking funds of this state  
33 because it has been superseded by Section 404.024,  
34 Government Code (enacted in 1985 as Section 2.014,  
35 Treasury Act (Article 4393-1, Vernon's Texas Civil  
36 Statutes)), which governs the investment of state  
37 funds. Section 404.024(b)(10), Government Code,

1 authorizes the investment of state funds in  
2 obligations of political subdivisions, including  
3 hospital districts. The omitted law reads:

4           Sec. 11. All bonds of the District  
5 shall be and are hereby declared to be legal  
6 and authorized investments of banks,  
7 savings banks, trust companies, building  
8 and loan associations, savings and loan  
9 associations, insurance companies,  
10 fiduciaries, trustees, and sinking funds of  
11 cities, towns, villages, counties, school  
12 districts, or other political subdivisions  
13 of the State of Texas, and for all public  
14 funds of the State of Texas or its agencies,  
15 including the State Permanent School  
16 Fund. . . .

17           (3) Section 11, Chapter 238, Acts of the 58th  
18 Legislature, Regular Session, 1963, provides that  
19 bonds issued under that act may secure certain  
20 deposits. The revised law omits this provision as  
21 impliedly repealed by Section 404.0221, Government  
22 Code (enacted in 1995), which lists eligible  
23 collateral for deposits of state funds by the  
24 comptroller, and by Chapter 2257, Government Code  
25 (enacted in 1989 as Article 2529d, Vernon's Texas Civil  
26 Statutes), which governs eligible collateral for  
27 deposits of funds of other public agencies, including  
28 political subdivisions. The omitted law reads:

29           Sec. 11. . . . Such bonds shall be  
30 eligible to secure deposit of public funds  
31 of the State of Texas and public funds of  
32 cities, towns, villages, counties, school  
33 districts or other political subdivisions  
34 or corporations of the State of Texas; and  
35 such bonds shall be lawful and sufficient  
36 security for said deposits to the extent of  
37 their value when accompanied by all  
38 unmatured coupons appurtenant thereto.

39           [Sections 1006.207-1006.250 reserved for expansion]

40                           SUBCHAPTER F. TAXES

41                                   Revised Law

42           Sec. 1006.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
43 shall impose a tax on all property subject to district taxation in  
44 the manner provided by law for county taxes.

45           (b) The board shall impose the tax to:



1 (1) pay the interest on and create a sinking fund for  
2 bonds issued by the district for hospital purposes;

3 (2) provide for the operation and maintenance of the  
4 district and hospital system;

5 (3) make improvements and additions to the hospital  
6 system; and

7 (4) acquire necessary sites for the hospital system by  
8 purchase, lease, or condemnation. (Acts 58th Leg., R.S., Ch. 238,  
9 Secs. 4 (part), 13 (part).)

10 Source Law

11 Sec. 4. . . . Upon the creation of such  
12 Hospital District, the Board of Directors shall have  
13 the power and authority and it shall be their duty to  
14 levy on all property subject to Hospital District  
15 taxation for the benefit of the District . . . for the  
16 purpose of: (1) paying the interest on and creating a  
17 sinking fund for bonds which may be issued by the  
18 Hospital District, for hospital purposes as herein  
19 provided; (2) providing for the operation and  
20 maintenance of the Hospital District and hospital  
21 system; and (3) for the purpose of making further  
22 improvements and additions to the hospital system, and  
23 for the acquisition of necessary sites therefor, by  
24 purchase, lease or condemnation.

25 Sec. 13. District taxes shall be assessed and  
26 collected in the same manner as provided by law with  
27 relation to county taxes. . . .

28 Revisor's Note

29 (1) Section 4, Chapter 238, Acts of the 58th  
30 Legislature, Regular Session, 1963, refers to the  
31 creation of the district. The revised law omits the  
32 reference to the board's creation as executed.

33 (2) Section 4, Chapter 238, Acts of the 58th  
34 Legislature, Regular Session, 1963, requires the board  
35 to impose taxes at a certain time and in a certain  
36 manner. The revised law omits this provision as  
37 superseded by Title 1, Tax Code, which was intended as  
38 a comprehensive, substantive codification of all  
39 property tax law and its administration. Title 1, Tax  
40 Code, was enacted by Chapter 841, Acts of the 66th  
41 Legislature, Regular Session, 1979. Section 6(b) of  
42 that act repealed all "general, local, and special

1 laws" that conflicted with that act. The omitted law  
2 reads:

3           Sec. 4. . . . [the Board of  
4 Directors shall have the power and  
5 authority and it shall be their duty to levy  
6 on all property subject to Hospital  
7 District taxation for the benefit of the  
8 District] at the same time taxes are levied  
9 for county purposes, using the county  
10 values and the county tax roll, [a tax]  
11 . . . .

12                                   Revised Law

13           Sec. 1006.252. TAX RATE. The tax rate may not exceed 75  
14 cents on each \$100 assessed value of all taxable property. (Acts  
15 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

16                                   Source Law

17           Sec. 4. . . . a tax of not to exceed  
18 Seventy-five Cents (75¢) on the One Hundred Dollars  
19 (\$100) valuation of all taxable property within the  
20 Hospital District, . . . .

21                                   Revised Law

22           Sec. 1006.253. TAX ASSESSOR-COLLECTOR. (a) The tax  
23 assessor-collector of Floyd County shall collect taxes imposed by  
24 the district and promptly transfer the money collected to the  
25 district depository.

26           (b) The assessor-collector shall receive the compensation  
27 provided for by contract with the district, except the compensation  
28 may not exceed the amount allowed for assessment and collection of  
29 county taxes. The compensation shall be deposited in the county's  
30 general fund and reported as fees of office of the  
31 assessor-collector. (Acts 58th Leg., R.S., Ch. 238, Sec. 13  
32 (part).)

33                                   Source Law

34           Sec. 13. . . . The Tax Assessor and/or  
35 Collector of Floyd County shall be charged and  
36 required to accomplish the assessment and collection  
37 of all taxes levied by and on behalf of the District  
38 and to promptly pay over the same to the District  
39 depository, and shall charge such compensation  
40 therefor as may be provided for by contract with the  
41 District but not to exceed the amount allowed for  
42 assessment and collection of county taxes. All such  
43 fees shall be deposited in the county's general fund  
44 and shall be reported as fees of office of the Tax  
45 Assessor-Collector. . . .

1 Revisor's Note

2 (1) Section 13, Chapter 238, Acts of the 58th  
3 Legislature, Regular Session, 1963, provides that the  
4 bond of the county tax assessor-collector is security  
5 for the performance of district duties unless the  
6 board determines that an additional bond is necessary.  
7 The revised law omits that provision as unnecessary.  
8 Section 6.28, Tax Code, requires the county tax  
9 assessor-collector to post a bond. Section 6.29(b),  
10 Tax Code, authorizes a taxing unit for which the county  
11 tax assessor-collector collects a tax to require that  
12 collector to post an additional bond. The omitted law  
13 reads:

14 Sec. 13. . . . The bond of the  
15 County Tax Assessor-Collector shall stand  
16 as security for the proper performance of  
17 his duties as Assessor-Collector of the  
18 District, or, if in the judgment of the  
19 District Board of Directors, it is  
20 necessary that additional bond payable to  
21 the District may be required. . . .

22 (2) Section 13, Chapter 238, Acts of the 58th  
23 Legislature, Regular Session, 1963, states that the  
24 tax assessor-collector may act in accordance with  
25 state law relating to the assessment, collection, and  
26 enforcement of state and county taxes. The revised law  
27 omits that provision as unnecessary. The state law  
28 relating to the assessment, collection, and  
29 enforcement of all ad valorem taxes is Title 1, Tax  
30 Code. Section 1.02, Tax Code, requires all taxing  
31 units of government to administer the assessment,  
32 collection, and enforcement of taxes in conformity  
33 with that title. The omitted law reads:

34 Sec. 13. . . . In all matters  
35 pertaining to the assessment, collection,  
36 and enforcement of taxes for the District,  
37 the County Tax Assessor-Collector shall be  
38 authorized to act in all respects according  
39 to the laws of the State of Texas relating  
40 to state and county taxes. . . .



1 under the provisions of Section 9 of Article  
 2 IX of the Texas Constitution has been made  
 3 in the manner and form provided by law  
 4 pertaining to the enactment of local and  
 5 special laws and such notice is hereby found  
 6 and declared proper and sufficient to  
 7 satisfy such requirement.

8 CHAPTER 1008. CHILLICOTHE HOSPITAL DISTRICT

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31		CHAPTER 1008. CHILLICOTHE HOSPITAL DISTRICT	
32		SUBCHAPTER A. GENERAL PROVISIONS	
33		<u>Revised Law</u>	
34	Sec. 1008.001.	DEFINITIONS. In this chapter:	

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

3 (2) "Director" means a member of the board.

4 (3) "District" means the Chillicothe Hospital  
5 District. (Acts 66th Leg., R.S., Ch. 74, Sec. 1 (part); New.)

6 Source Law

7 Sec. 1. . . . The district shall be known as  
8 the Chillicothe Hospital District . . . .

9 Revisor's Note

10 The definitions of "board" and "director" are  
11 added to the revised law for drafting convenience and  
12 to avoid frequent, unnecessary repetition of the  
13 substance of the definitions.

14 Revised Law

15 Sec. 1008.002. AUTHORITY FOR OPERATION. The Chillicothe  
16 Hospital District operates and is administered and financed in  
17 accordance with Section 9, Article IX, Texas Constitution. (Acts  
18 66th Leg., R.S., Ch. 74, Sec. 1 (part).)

19 Source Law

20 Sec. 1. In accordance with the provisions of  
21 Article IX, Section 9, of the Texas Constitution this  
22 Act authorizes the creation, establishment,  
23 administration, maintenance, operation, and financing  
24 of a hospital district within this state, . . . .

25 Revisor's Note

26 Section 1, Chapter 74, Acts of the 66th  
27 Legislature, Regular Session, 1979, authorizes the  
28 "creation, establishment, administration,  
29 maintenance, operation, and financing" of the  
30 Chillicothe Hospital District. The revised law omits  
31 "creation" and "establishment" as executed. The  
32 revised law omits "maintenance" because the meaning of  
33 that term is included in the meaning of "operation."

34 Revised Law

35 Sec. 1008.003. ESSENTIAL PUBLIC FUNCTION. The district  
36 performs an essential public function in carrying out the purposes  
37 of this chapter. (Acts 66th Leg., R.S., Ch. 74, Sec. 20 (part).)



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Source Law

Sec. 20. In carrying out the purposes of this Act, a district created under this Act will be performing an essential public function, and . . . .

Revised Law

Sec. 1008.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precinct No. 3 of Hardeman County, Texas, as those boundaries existed on April 26, 1979. (Acts 66th Leg., R.S., Ch. 74, Sec. 1 (part).)

Source Law

Sec. 1. . . . the boundaries of which shall include all of the land included in County Commissioner Precinct No. 3 of Hardeman County, Texas, on the effective date of this Act. . . .

Revisor's Note

Section 1, Chapter 74, Acts of the 66th Legislature, Regular Session, 1979, refers to the boundaries of County Commissioners Precinct No. 3 "on the effective date of this Act." The Act took effect on April 26, 1979, and the revised law is drafted accordingly.

Revised Law

Sec. 1008.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support or maintenance of the district may not become a charge against or obligation of this state. (Acts 66th Leg., R.S., Ch. 74, Sec. 19 (part).)

Source Law

Sec. 19. The support and maintenance of a hospital district created under this Act shall never become a charge against or obligation of the State of Texas . . . .

Revised Law

Sec. 1008.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility. (Acts 66th Leg., R.S., Ch. 74, Sec. 19 (part).)

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Source Law

Sec. 19. . . . nor shall any direct appropriation be made by the legislature for the construction, maintenance, or improvement of any of the facilities of the district.

Revisor's Note  
(End of Subchapter)

(1) Section 1, Chapter 74, Acts of the 66th Legislature, Regular Session, 1979, states that the district has the "rights, powers, and duties provided in this Act." The revised law omits that provision as unnecessary because the chapter by its own terms provides the district's rights, powers, and duties. The omitted law reads:

Sec. 1. . . . [The district shall be known as the Chillicothe Hospital District] with the rights, powers, and duties provided in this Act.

(2) Sections 3(a), (b), (c), and (e) and Section 7, Chapter 74, Acts of the 66th Legislature, Regular Session, 1979, provide procedures for holding an election on the creation of the Chillicothe Hospital District and the imposition of an ad valorem tax. Because the creation of the hospital district and the imposition of the tax were approved at the described election, the revised law omits those provisions as executed. The omitted law reads:

Sec. 3. (a) The district shall not be created nor shall any tax be authorized unless and until the creation and the tax are approved by a majority of the qualified electors of the area of the proposed district voting at an election called and held for that purpose. An election may be ordered by the commissioners court of Hardeman County. The commissioners court shall order the election within 10 days after a petition signed by 100 or more qualified electors residing within the boundaries of the proposed district is filed. The commissioners court may choose a date for the election that is not less than 35 nor more than 60 days from the date the election is ordered. Section 9b, Texas Election Code, as amended (Article 2.01b, Vernon's Texas Election Code), does not apply to an election held under this Act. The order calling the election shall

1 specify the date, place or places of holding  
2 the election, the form of ballot, and the  
3 presiding judge and alternate judge for  
4 each voting place and shall provide for  
5 clerks as in county elections. Notice of  
6 election shall be given by the  
7 commissioners court by publishing a  
8 substantial copy of the election order in a  
9 newspaper or newspapers of general  
10 circulation in the proposed district once a  
11 week for two consecutive weeks, the first  
12 publication to appear at least 30 days  
13 before the date set for the election. The  
14 failure of the election shall not prohibit  
15 the calling and holding of subsequent  
16 elections for the same purpose; provided no  
17 district confirmation election may be held  
18 within 12 months of any preceding election  
19 for the same purpose. If the district is  
20 not confirmed at an election held within 60  
21 months from the effective date of this Act,  
22 this Act is repealed.

23 (b) At the election, there shall be  
24 submitted to the electors of the area of the  
25 proposed district the proposition of  
26 whether the hospital district shall be  
27 created with authority to levy annual taxes  
28 at a rate not to exceed 75 cents on each \$100  
29 of valuation on all taxable property  
30 located within the hospital district,  
31 subject to hospital district taxation, for  
32 the purpose of meeting the requirements of  
33 the district's bonds, indebtedness assumed  
34 by it, and its maintenance and operating  
35 expenses. A majority of the electors of the  
36 area of the proposed district voting at the  
37 election in favor of the proposition shall  
38 be sufficient for its adoption.

39 (c) The form of ballot used at the  
40 election for the creation of the district  
41 shall be in conformity with Section 61,  
42 Texas Election Code, as amended (Article  
43 6.05, Vernon's Texas Election Code), so that  
44 ballots may be cast for or against the  
45 following proposition: "The creation of  
46 the Chillicothe Hospital District of  
47 Hardeman County, Texas; providing for the  
48 levy of annual taxes for hospital purposes  
49 at a rate not to exceed 75 cents on the \$100  
50 valuation of all taxable property within  
51 the district."

52 (e) Within 20 days after the election  
53 is held, the commissioners court shall  
54 convene and canvass the returns of the  
55 election, and if the election results are  
56 favorable to the proposition specified in  
57 Subsection (c) of this section, the  
58 commissioners court shall so find and  
59 declare the hospital district created.

60 Sec. 7. A petition for an election to  
61 create the hospital district, as provided  
62 in Section 3 of this Act, may incorporate a  
63 request that a separate proposition be  
64 submitted at the election as to whether the  
65 board of the district, in the event it is  
66 created, shall be authorized to issue bonds  
67 for the purposes specified in Section 6 of

1 this Act. The petition shall specify the  
2 maximum amount of bonds to be issued and  
3 their maximum maturity, which shall be  
4 included in the proposition submitted at  
5 the election. At the election to create the  
6 district, the commissioners court may  
7 submit a proposition on whether bonds will  
8 be issued for the purposes specified in  
9 Section 6 of this Act, regardless of whether  
10 a petition so requests and regardless of  
11 whether a petition is presented. The  
12 commissioners court shall canvass the  
13 returns of the bond proposition if one is  
14 submitted at the election to create the  
15 district. If the district is authorized to  
16 be created and if a majority of the votes  
17 cast in the election favor the issuance of  
18 the bonds, the board may issue the bonds in  
19 the manner provided in this Act for the  
20 issuance of district bonds.

21 [Sections 1008.007-1008.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Revised Law

24 Sec. 1008.051. BOARD ELECTION; TERM. (a) The board  
25 consists of seven directors elected from the district at large.

26 (b) The board shall declare the results of the election.

27 (c) Directors serve staggered two-year terms unless  
28 four-year terms are established under Section 285.081, Health and  
29 Safety Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 3(d) (part), (f)  
30 (part).)

31 Source Law

32 (d) . . . Each voter shall vote for seven  
33 persons and the seven receiving the highest number of  
34 votes are the first board of directors. Of those  
35 elected, the three directors receiving the lowest  
36 number of votes shall serve until the first Saturday in  
37 April following the election. The four directors  
38 receiving the highest number of votes shall serve  
39 until the first Saturday in April of the year following  
40 the expiration of the terms of the other three  
41 directors.

42 (f) The commissioners court shall determine the  
43 seven candidates for director receiving the highest  
44 number of votes at the creation election and declare  
45 those persons elected to the board. The commissioners  
46 court also shall declare the terms of each director.  
47 Successors to the board shall be elected by vote of the  
48 qualified electors of the entire district for two-year  
49 terms. . . . The board shall canvass the returns and  
50 declare the results. . . .

51 Revisor's Note

52 (1) Sections 3(d) and (f), Chapter 74, Acts of  
53 the 66th Legislature, Regular Session, 1979, prescribe

1 the procedures for electing the initial board of  
2 directors and the terms of the initial directors. The  
3 revised law omits those provisions as executed but  
4 codifies the establishment of a board consisting of  
5 seven directors. Section 3(d) also establishes  
6 staggered two-year terms for the directors that expire  
7 on the first Saturday in April in the first or second  
8 year after the election. The revised law codifies the  
9 provision specifying staggered terms but omits the  
10 provision relating to the date on which the terms of  
11 the initial directors expire as executed.

12 (2) Section 3(d), Chapter 74, Acts of the 66th  
13 Legislature, Regular Session, 1979, prescribes the  
14 procedure for electing the initial board of directors.  
15 The revised law omits the provision as executed. The  
16 omitted law reads:

17 (d) At the election to create the  
18 district, a separate ballot shall be  
19 submitted to the voters containing the  
20 names of all qualified persons who filed an  
21 application with the commissioners court at  
22 least 25 days before the election asking to  
23 have their names placed on the ballot for  
24 the office of director. . . .

25 (3) Section 3(f), Chapter 74, Acts of the 66th  
26 Legislature, Regular Session, 1979, provides that  
27 directors serve two-year terms. Section 285.081,  
28 Health and Safety Code, applicable to all hospital  
29 districts, provides a mechanism by which the governing  
30 board of a hospital district, on its own motion, may  
31 order that the members are to be elected in  
32 even-numbered years to serve staggered four-year  
33 terms. The revised law is drafted accordingly and adds  
34 a reference to Section 285.081 for the convenience of  
35 the reader.

36 (4) Section 3(f), Chapter 74, Acts of the 66th  
37 Legislature, Regular Session, 1979, provides "[t]he  
38 board shall canvass the returns" of an election of

1 directors. Throughout this chapter, the revised law  
2 omits this requirement because it duplicates Section  
3 67.002, Election Code, which requires the governing  
4 body of a political subdivision that orders an  
5 election to canvass the returns. Although Section 3(f)  
6 does not state that the board orders the election,  
7 Section 3.004(a), Election Code, requires the  
8 governing body of a political subdivision that has  
9 elective offices to order the general election for  
10 those officers.

11 Revised Law

12 Sec. 1008.052. NOTICE OF ELECTION. At least 30 days before  
13 the date of an election of directors, notice of the election shall  
14 be published one time in a newspaper or newspapers that  
15 individually or collectively have general circulation in the  
16 district. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(f) (part).)

17 Source Law

18 (f) . . . The board shall publish notice of  
19 each election of directors in a newspaper or  
20 newspapers that individually or collectively provide  
21 general circulation in the district one time at least  
22 30 days before the date of the election. . . .

23 Revised Law

24 Sec. 1008.053. BALLOT APPLICATION. (a) A person must file  
25 an application with the board secretary to have the person's name  
26 printed on the ballot as a candidate for director.

27 (b) The application must be filed at least 45 days before  
28 the date of the election. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(f)  
29 (part).)

30 Source Law

31 (f) . . . Any person desiring to have his or her  
32 name printed on the ballot as a candidate for director  
33 shall file an application with the secretary of the  
34 board of directors at least 45 days before the  
35 election. . . .

36 Revised Law

37 Sec. 1008.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
38 not be elected or appointed as a director unless the person is:

- 1 (1) a resident of the district; and  
2 (2) a qualified voter.  
3 (b) A person is not eligible to serve as a director if the  
4 person is:  
5 (1) the district administrator;  
6 (2) the attorney for the district; or  
7 (3) a district employee. (Acts 66th Leg., R.S., Ch.  
8 74, Sec. 3(h).)

9 Source Law

10 (h) No person shall be elected or appointed as a  
11 member of the board unless he or she is a resident of  
12 the district and a qualified elector. Neither the  
13 administrator, the attorney, nor any employee of the  
14 district shall be eligible to serve as a director.

15 Revised Law

16 Sec. 1008.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
17 OF OFFICE. (a) Each director may be required to execute a good and  
18 sufficient bond for \$5,000 that is:

- 19 (1) approved by the Commissioners Court of Hardeman  
20 County;  
21 (2) payable to the district; and  
22 (3) conditioned on the faithful performance of the  
23 director's duties.

24 (b) The district may pay for the directors' bonds with  
25 district money.

26 (c) Each director's bond and constitutional oath or  
27 affirmation of office shall be kept in the permanent records of the  
28 district. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(g).)

29 Source Law

30 (g) Each member of the board shall qualify by  
31 executing the constitutional oath of office and may be  
32 required to execute good and sufficient bond, to be  
33 approved by the commissioners court, for \$5,000  
34 payable to the district, conditioned upon the faithful  
35 performance of that director's duties as director. The  
36 oath and bond shall be kept in the permanent records of  
37 the district. The district may provide for the  
38 directors' bonds with district funds.

39 Revisor's Note

40 Section 3(g), Chapter 74, Acts of the 66th

1 Legislature, Regular Session, 1979, requires each  
2 director to take the constitutional oath of office.  
3 The revised law omits that provision as unnecessary  
4 because Section 1, Article XVI, Texas Constitution,  
5 requires all officers to take the oath or affirmation  
6 before assuming office. In addition, the revised law  
7 includes a reference to an "affirmation" of office  
8 because Section 1, Article XVI, Texas Constitution,  
9 refers to an oath or affirmation. The revised law is  
10 drafted to conform to the constitutional requirement.

11 Revised Law

12 Sec. 1008.056. BOARD VACANCY. If a vacancy occurs in the  
13 office of director, the remaining directors shall appoint a  
14 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 74,  
15 Sec. 3(f) (part).)

16 Source Law

17 (f) . . . A vacancy in office shall be filled  
18 for the unexpired term by appointment by the remainder  
19 of the board of directors.

20 Revised Law

21 Sec. 1008.057. OFFICERS. (a) The board shall elect:

22 (1) a president and a vice president from among its  
23 members; and

24 (2) a secretary, who need not be a director.

25 (b) Each officer of the board serves for a term of one year.

26 (c) The board shall fill a vacancy in a board office for the  
27 unexpired term. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(i) (part).)

28 Source Law

29 (i) The board shall organize by electing one of  
30 its number as president and one of its number as  
31 vice-president. A secretary, who need not be a  
32 director, also shall be elected. Officers shall be  
33 elected for a term of one year and a vacancy shall be  
34 filled for the unexpired term by the board. . . .

35 Revised Law

36 Sec. 1008.058. COMPENSATION. A director or officer serves  
37 without compensation but may be reimbursed for actual expenses  
38 incurred in the performance of official duties. The expenses must



1 be:

2 (1) reported in the district's records; and

3 (2) approved by the board. (Acts 66th Leg., R.S., Ch.  
4 74, Sec. 3(i) (part).)

5 Source Law

6 (i) . . . All members of the board and officers  
7 shall serve without compensation but may be reimbursed  
8 for actual expenses incurred in the performance of  
9 their official duties if those expenses are approved  
10 by the board and reported in the minute book of the  
11 district or other records of the district.

12 Revisor's Note

13 Section 3(i), Chapter 74, Acts of the 66th  
14 Legislature, Regular Session, 1979, requires that  
15 approved expenses be reported in the "minute book of  
16 the district or other records of the district." The  
17 revised law omits the reference to the "minute book of  
18 the district" as unnecessary because the minute book  
19 is a district record.

20 Revised Law

21 Sec. 1008.059. VOTING REQUIREMENT. A concurrence of four  
22 directors is sufficient in any matter relating to district  
23 business. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(i) (part).)

24 Source Law

25 (i) . . . Any four members of the board shall  
26 constitute a quorum, and a concurrence of four shall be  
27 sufficient in all matters pertaining to the business  
28 of the district. . . .

29 Revisor's Note

30 Section 3(i), Chapter 74, Acts of the 66th  
31 Legislature, Regular Session, 1979, provides that  
32 "[a]ny four members of the board shall constitute a  
33 quorum." The revised law omits this provision because  
34 it duplicates general law. Section 311.013,  
35 Government Code (Code Construction Act), applicable to  
36 the revised law, provides that a majority of a board or  
37 commission constitutes a quorum.

1 Revised Law

2 Sec. 1008.060. DISTRICT ADMINISTRATOR. (a) The board may  
3 appoint a qualified person as district administrator.

4 (b) The district administrator serves at the will of the  
5 board and is entitled to the compensation determined by the board.

6 (c) On assuming the duties of district administrator, the  
7 administrator may execute a bond payable to the district in an  
8 amount set by the board of not less than \$5,000 that:

9 (1) is conditioned on the administrator performing the  
10 administrator's required duties; and

11 (2) contains other conditions the board may require.

12 (d) The board may pay for the bond with district money.  
13 (Acts 66th Leg., R.S., Ch. 74, Sec. 4(a) (part).)

14 Source Law

15 Sec. 4. (a) . . . The board may appoint  
16 qualified persons as administrator of the hospital  
17 district, . . . . The administrator, . . . shall  
18 serve at the will of the board and shall receive the  
19 compensation determined by the board. The  
20 administrator may, on assuming his or her duties,  
21 execute a bond payable to the hospital district in an  
22 amount to be set by the board, in no event less than  
23 \$5,000, conditioned that he or she shall perform the  
24 duties required of him or her, and containing such  
25 other conditions as the board may require. The board  
26 may pay for the bond with district funds. . . .

27 Revised Law

28 Sec. 1008.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
29 Subject to the limitations prescribed by the board, the district  
30 administrator shall:

31 (1) supervise the work and activities of the district;  
32 and

33 (2) direct the affairs of the district. (Acts 66th  
34 Leg., R.S., Ch. 74, Sec. 4(a) (part).)

35 Source Law

36 (a) . . . The administrator shall supervise all  
37 the work and activities of the district and shall have  
38 general direction of the affairs of the district,  
39 subject to the limitations as may be prescribed by the  
40 board. . . .

41 Revised Law

42 Sec. 1008.062. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

1 (a) The board may appoint qualified persons as:

2 (1) the attorney for the district; and

3 (2) the assistant district administrator.

4 (b) The attorney for the district and the assistant district  
5 administrator serve at the will of the board and are entitled to the  
6 compensation determined by the board. (Acts 66th Leg., R.S., Ch.  
7 74, Sec. 4(a) (part).)

8 Source Law

9 (a) . . . The board may appoint qualified  
10 persons as . . . attorney for the district, and  
11 assistant to the administrator. . . . the attorney,  
12 and the assistant administrator, if any, shall serve  
13 at the will of the board and shall receive the  
14 compensation determined by the board. . . .

15 Revised Law

16 Sec. 1008.063. APPOINTMENT AND RECRUITMENT OF STAFF AND  
17 EMPLOYEES. (a) The board may appoint to the staff any physicians  
18 the board considers necessary for the efficient operation of the  
19 district and may make temporary appointments as necessary.

20 (b) The district may employ fiscal agents, accountants,  
21 architects, and attorneys the board considers proper.

22 (c) The board may delegate to the district administrator the  
23 authority to hire district employees, including technicians and  
24 nurses.

25 (d) The board may spend district money to recruit  
26 physicians, nurses, and other trained medical personnel. The board  
27 may pay the tuition or other expenses of a full-time medical student  
28 or other student in a health occupation who:

29 (1) is enrolled in and is in good standing at an  
30 accredited medical school, college, or university; and

31 (2) contractually agrees to become a district employee  
32 or independent contractor in return for that assistance. (Acts  
33 66th Leg., R.S., Ch. 74, Secs. 4(a) (part), (h), 15.)

34 Source Law

35 Sec. 4. (a) . . . The board may appoint to the  
36 staff doctors it may deem necessary for the efficient  
37 operation of the district and may provide for  
38 temporary appointments to the staff if warranted by  
39 circumstances. The board may delegate to the

1 administrator the authority to employ technicians,  
2 nurses, and employees of the district.

3 (h) The board may spend district funds to  
4 recruit physicians, nurses, and other trained medical  
5 personnel. The board may contract with one or more  
6 full-time medical students or other students in a  
7 health occupation, each of whom is enrolled in and in  
8 good standing at an accredited medical school,  
9 college, or university to pay the student's tuition or  
10 other expenses in consideration of the student's  
11 agreement to serve as an employee or independent  
12 contractor for the district.

13 Sec. 15. The district may employ fiscal agents,  
14 accountants, architects, and additional attorneys as  
15 the board may consider proper.

16 Revised Law

17 Sec. 1008.064. PERSONNEL CONTRACTS. (a) The board may  
18 contract to provide administrative or other personnel for the  
19 operation of the hospital facilities.

20 (b) The contract may not have a term of more than 25 years.  
21 (Acts 66th Leg., R.S., Ch. 74, Sec. 4(e).)

22 Source Law

23 (e) The board may contract to provide  
24 administrative or other personnel for the operation of  
25 the hospital facilities. A contract entered into  
26 under this subsection may not have a term longer than  
27 25 years.

28 Revised Law

29 Sec. 1008.065. RETIREMENT BENEFITS. The board may provide  
30 retirement benefits for district employees by:

31 (1) establishing or administering a retirement  
32 program; or

33 (2) participating in:

34 (A) the Texas County and District Retirement  
35 System; or

36 (B) another statewide retirement system in which  
37 the district is eligible to participate. (Acts 66th Leg., R.S., Ch.  
38 74, Sec. 4(g).)

39 Source Law

40 (g) The board may provide retirement benefits  
41 for district employees by establishing or  
42 administering a retirement program or electing to  
43 participate in the Texas County and District  
44 Retirement System or any other statewide retirement  
45 system for which the district is eligible.

1 [Sections 1008.066-1008.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 1008.101. DISTRICT RESPONSIBILITY. The district has  
5 full responsibility to:

6 (1) operate all hospital facilities; and

7 (2) provide medical and hospital care for the  
8 district's needy residents. (Acts 66th Leg., R.S., Ch. 74, Sec. 18  
9 (part).)

10 Source Law

11 Sec. 18. . . . The hospital district shall  
12 assume full responsibility for the operation of all  
13 hospital facilities and for the furnishing of medical  
14 and hospital care for its needy inhabitants. . . .

15 Revisor's Note

16 Section 18, Chapter 74, Acts of the 66th  
17 Legislature, Regular Session, 1979, provides that the  
18 district "shall assume" full responsibility for  
19 providing medical and hospital care for the district's  
20 needy residents and for the operation of hospital  
21 facilities. The revised law substitutes "has" for the  
22 quoted language because the duty to assume the  
23 responsibility is executed.

24 Revised Law

25 Sec. 1008.102. RESTRICTION ON POLITICAL SUBDIVISION  
26 TAXATION AND DEBT. A political subdivision located wholly or  
27 partly within the district may not impose a tax or issue bonds or  
28 other obligations for hospital purposes or to provide medical care  
29 for district residents. (Acts 66th Leg., R.S., Ch. 74, Sec. 18  
30 (part).)

31 Source Law

32 Sec. 18. After creation of the hospital  
33 district, no county, municipality, or political  
34 subdivision wholly or partly within the boundaries of  
35 the district may levy taxes or issue bonds or other  
36 obligations for hospital purposes or for providing  
37 medical care for the residents of the district. . . .

1 Revisor's Note

2 (1) Section 18, Chapter 74, Acts of the 66th  
3 Legislature, Regular Session, 1979, provides that  
4 "[a]fter creation of the hospital district," certain  
5 political subdivisions may not levy taxes or issue  
6 bonds. The revised law omits the quoted language as  
7 executed. In addition, the revised law substitutes  
8 "impose" for "levy" because the terms are synonymous  
9 and the former is more commonly used.

10 (2) Section 18, Chapter 74, Acts of the 66th  
11 Legislature, Regular Session, 1979, refers to a  
12 "county, municipality, or political subdivision." The  
13 revised law omits the references to "county" and  
14 "municipality" because those terms are included within  
15 the meaning of "political subdivision."

16 Revised Law

17 Sec. 1008.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
18 The board shall manage, control, and administer the hospital system  
19 and the district's money and resources. (Acts 66th Leg., R.S., Ch.  
20 74, Sec. 4(a) (part).)

21 Source Law

22 Sec. 4. (a) The board shall manage, control,  
23 and administer the hospital system and all funds and  
24 resources of the district, but . . . .

25 Revised Law

26 Sec. 1008.104. HOSPITAL SYSTEM. (a) The district shall  
27 provide for the establishment of a hospital system by:

28 (1) acquiring, purchasing, constructing, repairing,  
29 or renovating buildings and equipment;

30 (2) equipping the buildings; and

31 (3) administering the system for hospital purposes.

32 (b) The hospital system may include any facilities the board  
33 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.  
34 74, Secs. 2 (part), 9(a) (part).)

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Source Law

Sec. 2. The district . . . shall provide for the establishment of a hospital system by the purchase, construction, acquisition, repair, and renovation of buildings and equipment and equipping same, and the administration of the system for hospital purposes. . . .

Sec. 9. (a) . . . The hospital system may include facilities deemed necessary for hospital care by the board. . . .

Revised Law

Sec. 1008.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees. (Acts 66th Leg., R.S., Ch. 74, Sec. 4(a) (part).)

Source Law

(a) . . . The district, through its board, . . . may promulgate rules governing the operation of the hospital, hospital system, its staff, and its employees. . . .

Revisor's Note

Section 4(a), Chapter 74, Acts of the 66th Legislature, Regular Session, 1979, provides that the board may "promulgate rules" to govern the district. The revised law substitutes "adopt" for "promulgate" because the terms are synonymous and the former is more commonly used.

Revised Law

Sec. 1008.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures. (Acts 66th Leg., R.S., Ch. 74, Sec. 9(b) (part).)

Source Law

(b) The board may prescribe the method and manner of making purchases and expenditures by and for the hospital district and may prescribe all accounting and control procedures. . . .

Revised Law

Sec. 1008.107. DISTRICT PROPERTY, FACILITIES, AND

1 EQUIPMENT. (a) The board shall determine the type, number, and  
2 location of buildings required to maintain an adequate hospital  
3 system.

4 (b) The board may:

5 (1) purchase or lease property, including facilities  
6 or equipment, for the district to use in the hospital system; and

7 (2) mortgage or pledge the property as security for  
8 the payment of the purchase price.

9 (c) The board may lease district hospital facilities to  
10 individuals, corporations, or other legal entities.

11 (d) The board may sell or otherwise dispose of the  
12 district's property. (Acts 66th Leg., R.S., Ch. 74, Secs. 4(b),  
13 (f), 9(a) (part), (b) (part).)

14 Source Law

15 [Sec. 4]

16 (b) The board may purchase or lease property,  
17 including facilities or equipment, for the district to  
18 use in the hospital system and may mortgage or pledge  
19 the property as security for the payment of the  
20 purchase price.

21 (f) The board may lease district hospital  
22 facilities to individuals, corporations, or other  
23 legal entities and may sell or otherwise dispose of the  
24 district's property.

25 Sec. 9. (a) The board is given complete  
26 discretion as to the type, number, and location of  
27 buildings required to establish and maintain an  
28 adequate hospital system. . . .

29 (b) . . . The district may acquire equipment  
30 for use in its hospital system and mortgage or pledge  
31 the property acquired as security for the payment of  
32 the purchase price. . . .

33 Revisor's Note

34 (1) Section 9(a), Chapter 74, Acts of the 66th  
35 Legislature, Regular Session, 1979, requires the board  
36 to determine the buildings required to "establish and  
37 maintain" an adequate hospital system. The revised  
38 law omits the reference to establishing the hospital  
39 system as executed.

40 (2) Section 9(a), Chapter 74, Acts of the 66th  
41 Legislature, Regular Session, 1979, originally  
42 enacted in 1979 and never amended, authorizes the



1 district to lease district facilities "on terms and  
2 conditions considered to be to the best interest of its  
3 inhabitants." Section 9(a) also authorizes the  
4 district to sell or otherwise dispose of "any real or  
5 personal property or equipment of any nature on terms  
6 and conditions found by the board to be in the best  
7 interest of its inhabitants." The revised law omits  
8 those provisions as impliedly repealed by Section  
9 4(f), Chapter 74, Acts of the 66th Legislature,  
10 Regular Session, 1979, codified in this section.  
11 Section 4(f) was added by Section 2, Chapter 500, Acts  
12 of the 76th Legislature, Regular Session, 1999, and  
13 provides general authority to lease, sell, or  
14 otherwise dispose of the district's property without  
15 the limitations prescribed by Section 9(a). The  
16 omitted law reads:

17 (a) . . . [The district, through  
18 the board] . . . may lease all or part of  
19 its facilities on terms and conditions  
20 considered to be to the best interest of its  
21 inhabitants. The district may sell or  
22 otherwise dispose of any real or personal  
23 property or equipment of any nature on terms  
24 and conditions found by the board to be in  
25 the best interest of its inhabitants.

26 Revised Law

27 Sec. 1008.108. OPERATING AND MANAGEMENT CONTRACTS. The  
28 board may enter into an operating or management contract relating  
29 to a district facility. (Acts 66th Leg., R.S., Ch. 74, Sec. 9(a)  
30 (part).)

31 Source Law

32 (a) . . . The district, through the board, is  
33 further authorized to enter into an operating or  
34 management contract with regard to all or part of its  
35 facilities or . . . .

36 Revised Law

37 Sec. 1008.109. INTERLOCAL AGREEMENT. The board may enter  
38 into an interlocal agreement with another political subdivision to  
39 operate the district. (Acts 66th Leg., R.S., Ch. 74, Sec. 4(d).)



1 Source Law

2 Sec. 13. (a) The district shall have the right  
3 and power of eminent domain for the purpose of  
4 acquiring by condemnation any and all property of any  
5 kind and character in fee simple, or any lesser  
6 interest in property, within the boundaries of the  
7 district necessary or convenient to the powers,  
8 rights, and privileges conferred by this Act, in the  
9 manner provided by the general law with respect to  
10 condemnation by counties. The district shall not be  
11 required to make deposits in the registry of the trial  
12 court of the sum required by Section 21.021, Property  
13 Code, or to make bond as provided in that law. In  
14 condemnation proceedings being prosecuted by the  
15 district, the district shall not be required to pay in  
16 advance or give bond or other security for costs in the  
17 trial court or to give any bond otherwise required for  
18 the issuance of a temporary restraining order or a  
19 temporary injunction or to give bond for costs or for  
20 supersedeas on any appeal or writ of error.

21 Revisor's Note

22 (1) Section 13(a), Chapter 74, Acts of the 66th  
23 Legislature, Regular Session, 1979, provides that the  
24 district has the "right and power of eminent domain for  
25 the purpose of acquiring [property] by condemnation."  
26 The revised law substitutes for the quoted language  
27 "may exercise the power of eminent domain to acquire  
28 [property]" because the phrases have the same meaning,  
29 and the latter phrase is consistent with modern usage  
30 in laws relating to eminent domain.

31 (2) Section 13(a), Chapter 74, Acts of the 66th  
32 Legislature, Regular Session, 1979, provides that the  
33 district must exercise the power of eminent domain in  
34 the manner provided by "the general law with respect to  
35 condemnation by counties." The revised law  
36 substitutes for the quoted phrase a reference to  
37 Chapter 21, Property Code, because that is the general  
38 law governing eminent domain for governmental  
39 entities, including counties.

40 Revised Law

41 Sec. 1008.112. COST OF RELOCATING OR ALTERING PROPERTY. In  
42 exercising the power of eminent domain, if the board requires  
43 relocating, raising, lowering, rerouting, changing the grade of, or

1 altering the construction of any railroad, electric transmission,  
2 telegraph or telephone lines, conduits, poles, or facilities, or  
3 pipeline, the district must bear the actual cost of relocating,  
4 raising, lowering, rerouting, changing the grade, or altering the  
5 construction to provide comparable replacement without enhancement  
6 of facilities, after deducting the net salvage value derived from  
7 the old facility. (Acts 66th Leg., R.S., Ch. 74, Sec. 13(b).)

8 Source Law

9 (b) If the board requires the relocating,  
10 raising, lowering, rerouting, or change in grade or  
11 alteration in the construction of any railroad,  
12 electric transmission, telegraph or telephone lines,  
13 conduits, poles, or facilities, or pipelines in the  
14 exercise of the power of eminent domain, all of the  
15 relocating, raising, lowering, rerouting, or changes  
16 in grade or alteration of construction due to the  
17 exercise of the power of eminent domain shall be at the  
18 sole expense of the district. The term "sole expense"  
19 means the actual cost of relocating, raising,  
20 lowering, rerouting, or change in grade or alteration  
21 of construction to provide comparable replacement  
22 without enhancement of facilities after deducting the  
23 net salvage value derived from the old facility.

24 Revised Law

25 Sec. 1008.113. GIFTS AND ENDOWMENTS. The board may accept  
26 for the district a gift or endowment to be held in trust for a  
27 purpose and under a written direction, limitation, or provision of  
28 the donor that is consistent with the proper management and  
29 objectives of the district. (Acts 66th Leg., R.S., Ch. 74, Sec.  
30 17.)

31 Source Law

32 Sec. 17. The board may accept on behalf of the  
33 district donations, gifts, and endowments to be held  
34 in trust for such purposes and under such directions,  
35 limitations, and provisions as may be prescribed in  
36 writing by the donor consistent with proper management  
37 and object of the hospital district.

38 Revisor's Note

39 Section 17, Chapter 74, Acts of the 66th  
40 Legislature, Regular Session, 1979, refers to  
41 "donations" and "gifts." The revised law omits the  
42 reference to "donations" as unnecessary because  
43 "donations" is included within the meaning of "gifts."

1 Revised Law

2 Sec. 1008.114. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.

3 (a) The board may contract with a county or municipality located  
4 outside the district's boundaries to reimburse the district for the  
5 care and treatment of a sick or injured person of that county or  
6 municipality.

7 (b) The board may contract with this state or a federal  
8 agency for the state or agency to reimburse the district for the  
9 treatment of a sick or injured person. (Acts 66th Leg., R.S., Ch.  
10 74, Sec. 4(c) (part).)

11 Source Law

12 (c) The board . . . may contract with any county  
13 or incorporated municipality located outside its  
14 boundaries for reimbursement for the care and  
15 treatment of the sick, diseased, or injured persons of  
16 that county or municipality. The district may also  
17 contract with the state or agencies of the federal  
18 government for the reimbursement for the treatment of  
19 sick, diseased, or injured persons.

20 Revisor's Note

21 (1) Section 4(c), Chapter 74, Acts of the 66th  
22 Legislature, Regular Session, 1979, refers to an  
23 "incorporated" municipality. The revised law omits  
24 the reference to "incorporated" as unnecessary because  
25 under the Local Government Code all municipalities  
26 must be incorporated.

27 (2) Section 4(c), Chapter 74, Acts of the 66th  
28 Legislature, Regular Session, 1979, refers to the  
29 treatment of a "sick, diseased, or injured person."  
30 The revised law omits the references to "diseased" as  
31 unnecessary because "diseased" is included within the  
32 meaning of "sick."

33 Revised Law

34 Sec. 1008.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
35 When a patient who resides in the district is admitted to a district  
36 facility, the district administrator may have an inquiry made into  
37 the circumstances of:

38 (1) the patient; and



1 either in whole or in part for care and treatment in  
2 the hospital, they shall become a charge on the  
3 hospital district as to the amount of the inability to  
4 pay. Should there be a dispute as to the ability to pay  
5 or doubt in the mind of the administrator, the board  
6 shall hear and resolve the dispute and issue its final  
7 order after calling witnesses. Appeals from a final  
8 order of the board shall lie to the district court.  
9 The substantial evidence rule shall apply.

10 Revised Law

11 Sec. 1008.116. AUTHORITY TO SUE AND BE SUED. The district,  
12 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
13 74, Sec. 4(a) (part).)

14 Source Law

15 (a) . . . The district, through its board, may  
16 sue and be sued and . . . .

17 Revised Law

18 Sec. 1008.117. ADVERTISING FOR CERTAIN CONSTRUCTION  
19 CONTRACTS. Contracts for construction involving the expenditure of  
20 more than \$15,000 may be made only after advertising as provided by  
21 Subchapter B, Chapter 271, Local Government Code. (Acts 66th Leg.,  
22 R.S., Ch. 74, Sec. 9(b) (part).)

23 Source Law

24 (b) . . . Contracts for construction involving  
25 the expenditure of more than \$15,000 may be made only  
26 after advertising as provided by Subchapter B, Chapter  
27 271, Local Government Code. . . .

28 Revisor's Note  
29 (End of Subchapter)

30 Section 9(b), Chapter 74, Acts of the 66th  
31 Legislature, Regular Session, 1979, provides that  
32 Chapter 2253, Government Code, applies to the  
33 district's construction contracts regarding  
34 performance and payment bonds. The revised law omits  
35 that provision because Chapter 2253, Government Code,  
36 applies to hospital districts on its own terms. The  
37 omitted law reads:

38 (b) . . . The provisions of Chapter  
39 2253, Government Code, relating to  
40 performance and payment bonds shall apply  
41 to construction contracts let by the  
42 district. . . .

43 [Sections 1008.118-1008.150 reserved for expansion]

1 SUBCHAPTER D. DISSOLUTION

2 Revised Law

3 Sec. 1008.151. DISSOLUTION; ELECTION. (a) The district  
4 may be dissolved only on approval of a majority of the voters voting  
5 in an election held for that purpose.

6 (b) The board may order an election on the question of  
7 dissolving the district and disposing of the district's assets and  
8 obligations.

9 (c) The board shall order an election if the board receives  
10 a petition requesting an election that is signed by a number of  
11 residents of the district equal to at least 15 percent of the  
12 registered voters in the district.

13 (d) The election shall be held not later than the 60th day  
14 after the date the election is ordered.

15 (e) The order calling the election must state:

16 (1) the nature of the election, including the  
17 proposition to appear on the ballot;

18 (2) the date of the election;

19 (3) the hours during which the polls will be open; and

20 (4) the location of the polling places.

21 (f) Section 41.001(a), Election Code, does not apply to an  
22 election ordered under this section. (Acts 66th Leg., R.S., Ch. 74,  
23 Secs. 21A(a), (b), (c).)

24 Source Law

25 Sec. 21A. (a) The district may be dissolved  
26 only if the dissolution is approved by a majority of  
27 the qualified voters of the district voting in an  
28 election called and held for that purpose.

29 (b) The board may order an election on the  
30 question of dissolving the district and disposing of  
31 the district's assets and obligations. The board shall  
32 order an election if the board receives a petition  
33 requesting an election that is signed by a number of  
34 residents of the district equal to at least 15 percent  
35 of the registered voters in the district.

36 (c) The election shall be held not later than  
37 the 60th day after the date the election is ordered.  
38 Section 41.001(a), Election Code, does not apply to an  
39 election ordered under this section. The order  
40 calling the election shall state:

41 (1) the nature of the election, including  
42 the proposition that is to appear on the ballot;

43 (2) the date of the election;

44 (3) the hours during which the polls will



1 be open; and  
2 (4) the location of the polling places.

3 Revisor's Note

4 (1) Section 21A(a), Chapter 74, Acts of the 66th  
5 Legislature, Regular Session, 1979, provides for  
6 dissolution of the district if approved by a majority  
7 of the "qualified" voters "of the district." The  
8 revised law omits the quoted language as unnecessary  
9 in this context because Chapter 11, Election Code,  
10 governs eligibility to vote in an election in this  
11 state and allows only "qualified voters" who are  
12 residents of the territory covered by the election to  
13 vote in an election.

14 (2) Section 21A(a), Chapter 74, Acts of the 66th  
15 Legislature, Regular Session, 1979, provides that the  
16 district may be dissolved if authorized at an election  
17 "called and held" for that purpose. The revised law  
18 omits references to "calling" an election because, in  
19 this context, "calling" an election is included within  
20 the meaning of "holding" an election. Under Chapter 3,  
21 Election Code, all elections must be ordered (called)  
22 before they may be held.

23 Revised Law

24 Sec. 1008.152. NOTICE OF ELECTION. (a) The board shall  
25 give notice of an election under this subchapter by publishing once  
26 a week for two consecutive weeks the election order in a newspaper  
27 with general circulation in the district.

28 (b) The first publication of the notice must appear not  
29 later than the 35th day before the date set for the election. (Acts  
30 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

31 Source Law

32 (d) The board shall give notice of the election  
33 by publishing the election order in a newspaper with  
34 general circulation in the district once a week for two  
35 consecutive weeks. The first publication must appear  
36 not less than 35 days before the date set for the  
37 election. . . .

1 Revised Law

2 Sec. 1008.153. BALLOT. The ballot for an election under  
3 this subchapter must be printed to permit voting for or against the  
4 proposition: "The dissolution of the Chillicothe Hospital  
5 District." (Acts 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

6 Source Law

7 (d) . . . The ballot for the election shall be  
8 printed to permit voting for or against the  
9 proposition: "The dissolution of the Chillicothe  
10 Hospital District."

11 Revised Law

12 Sec. 1008.154. ELECTION RESULTS. (a) If a majority of the  
13 votes in an election under this subchapter favor dissolution, the  
14 board shall find that the district is dissolved.

15 (b) If a majority of the votes in the election do not favor  
16 dissolution, the board shall continue to administer the district  
17 and another election on the question of dissolution may not be held  
18 before the first anniversary of the date of the most recent election  
19 to dissolve the district. (Acts 66th Leg., R.S., Ch. 74, Sec.  
20 21A(e).)

21 Source Law

22 (e) If a majority of the votes in the election  
23 favor dissolution, the board shall find that the  
24 district is dissolved. If a majority of the votes in  
25 the election do not favor dissolution, the board shall  
26 continue to administer the district, and another  
27 election on the question of dissolution may not be held  
28 before the first anniversary of the most recent  
29 election to dissolve the district.

30 Revised Law

31 Sec. 1008.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
32 If a majority of the votes in the election held under this  
33 subchapter favor dissolution, the board shall:

34 (1) transfer the land, buildings, improvements,  
35 equipment, and other assets that belong to the district to Hardeman  
36 County or another governmental agency in Hardeman County; or

37 (2) administer the property, assets, and debts until  
38 all money has been disposed of and all district debts have been paid  
39 or settled.

1 (b) If the board makes the transfer under Subsection (a)(1),  
2 the county or agency assumes all debts and obligations of the  
3 district at the time of the transfer, and the district is dissolved.  
4 (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(f), (g).)

5 Source Law

6 (f) If a majority of the votes in the election  
7 favor dissolution, the board shall:

8 (1) transfer the land, buildings,  
9 improvements, equipment, and other assets that belong  
10 to the district to a county or other governmental  
11 agency in the county in which the district is located;  
12 or

13 (2) administer the property, assets, and  
14 debts until all funds have been disposed of and all  
15 district debts have been paid or settled.

16 (g) If the district transfers the land,  
17 buildings, improvements, equipment, and other assets  
18 to a county or other governmental agency, the county or  
19 agency assumes all debts and obligations of the  
20 district at the time of the transfer, and the district  
21 is dissolved.

22 Revisor's Note

23 Section 21A(f)(1), Chapter 74, Acts of the 66th  
24 Legislature, Regular Session, 1979, refers to a  
25 "county in which the district is located." Because the  
26 district is wholly located in Hardeman County, the  
27 revised law substitutes "Hardeman County" for the  
28 quoted language.

29 Revised Law

30 Sec. 1008.156. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

31 (a) Notwithstanding any other provision of this subchapter, the  
32 district may not be dissolved unless the board provides for the sale  
33 or transfer of the district's assets and liabilities to another  
34 person or entity.

35 (b) The dissolution of the district and the sale or transfer  
36 of the district's assets or liabilities may not contravene a trust  
37 indenture or bond resolution relating to the district's outstanding  
38 bonds. The dissolution and sale or transfer does not diminish or  
39 impair the rights of a holder of an outstanding bond, warrant, or  
40 other obligation of the district.

41 (c) The sale or transfer of the district's assets and  
42 liabilities must satisfy the debt and bond obligations of the

1 district in a manner that protects the interests of the residents of  
2 the district, including the residents' collective property rights  
3 in the district's assets. The district may not transfer or dispose  
4 of the district's assets except for due compensation unless the  
5 transfer is made to another governmental agency that serves the  
6 district and the transferred assets are to be used for the benefit  
7 of the district's residents.

8 (d) A grant from federal funds is an obligation to be repaid  
9 in satisfaction. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(m), (n).)

10 Source Law

11 (m) Notwithstanding any other provision of this  
12 section, the district may not be dissolved unless the  
13 board provides for the sale or transfer of the  
14 district's assets and liabilities to another person or  
15 entity. The dissolution of the district and the sale  
16 or transfer of the district's assets or liabilities may  
17 not contravene a trust indenture or bond resolution  
18 relating to the outstanding bonds of the district. The  
19 dissolution and sale or transfer does not diminish or  
20 impair the rights of a holder of an outstanding bond,  
21 warrant, or other obligation of the district.

22 (n) The sale or transfer of the district's  
23 assets and liabilities must satisfy the debt and bond  
24 obligation of the district in a manner that protects  
25 the interests of the residents of the district,  
26 including the residents' collective property rights in  
27 the district's assets. A grant from federal funds is  
28 an obligation to be repaid in satisfaction. The  
29 district may not transfer or dispose of the district's  
30 assets except for due compensation unless the transfer  
31 is made to a governmental agency that serves the  
32 district and the transferred assets are to be used for  
33 the benefit of the residents of the district.

34 Revised Law

35 Sec. 1008.157. IMPOSITION OF TAX AND RETURN OF SURPLUS  
36 TAXES. (a) After the board finds that the district is dissolved,  
37 the board shall:

38 (1) determine the debt owed by the district; and

39 (2) impose on the property included in the district's  
40 tax rolls a tax that is in proportion of the debt to the property  
41 value.

42 (b) On the payment of all outstanding debts and obligations  
43 of the district, the board shall order the secretary to return to  
44 each district taxpayer the taxpayer's pro rata share of all unused  
45 tax money.

1 (c) A taxpayer may request that the taxpayer's share of  
2 surplus tax money be credited to the taxpayer's county taxes. If a  
3 taxpayer requests the credit, the board shall direct the secretary  
4 to transmit the money to the county tax assessor-collector. (Acts  
5 66th Leg., R.S., Ch. 74, Secs. 21A(h), (i), (j).)

6 Source Law

7 (h) After the board finds that the district is  
8 dissolved, the board shall:

9 (1) determine the debt owed by the  
10 district; and

11 (2) impose on the property included in the  
12 district's tax rolls a tax that is in proportion of the  
13 debt to the property value.

14 (i) When all outstanding debts and obligations  
15 of the district are paid, the board shall order the  
16 secretary to return the pro rata share of all unused  
17 tax money to each district taxpayer.

18 (j) A taxpayer may request that the taxpayer's  
19 share of surplus tax money be credited to the  
20 taxpayer's county taxes. If a taxpayer requests the  
21 credit, the board shall direct the secretary to  
22 transmit the funds to the county tax  
23 assessor-collector.

24 Revised Law

25 Sec. 1008.158. REPORT; DISSOLUTION ORDER. (a) After the  
26 district has paid all its debts and has disposed of all its money  
27 and other assets as prescribed by this subchapter, the board shall  
28 file a written report with the Commissioners Court of Hardeman  
29 County summarizing the board's actions in dissolving the district.

30 (b) Not later than the 10th day after the date the  
31 Commissioners Court of Hardeman County receives the report and  
32 determines that the requirements of this subchapter have been  
33 fulfilled, the commissioners court shall enter an order dissolving  
34 the district and releasing the board from any further duty or  
35 obligation. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(k), (l).)

36 Source Law

37 (k) After the district has paid all its debts  
38 and has disposed of all its assets and funds as  
39 prescribed by this section, the board shall file a  
40 written report with the Commissioners Court of  
41 Hardeman County setting forth a summary of the board's  
42 actions in dissolving the district.

43 (l) Not later than the 10th day after the date it  
44 receives the report and determines that the  
45 requirements of this section have been fulfilled, the  
46 Commissioners Court of Hardeman County shall enter an  
47 order dissolving the district and releasing the board  
48 of directors of the district from any further duty or

1 obligation.

2 [Sections 1008.159-1008.200 reserved for expansion]

3 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

4 Revised Law

5 Sec. 1008.201. BUDGET. (a) The district administrator  
6 shall prepare an annual budget for approval by the board.

7 (b) The proposed budget must contain a complete financial  
8 statement of:

9 (1) the outstanding obligations of the district;

10 (2) the amount of cash on hand in each district fund;

11 (3) the amount of money received by the district from  
12 all sources during the previous year;

13 (4) the amount of money available to the district from  
14 all sources during the ensuing year;

15 (5) the amount of the balances expected at the end of  
16 the year in which the budget is being prepared;

17 (6) the estimated amount of revenues and balances  
18 available to cover the proposed budget; and

19 (7) the estimated tax rate required. (Acts 66th Leg.,  
20 R.S., Ch. 74, Sec. 5 (part).)

21 Source Law

22 Sec. 5. . . . The administrator shall prepare  
23 an annual budget for approval by the board. The budget  
24 shall also contain a complete financial statement of  
25 the district showing all outstanding obligations of  
26 the district, the cash on hand to the credit of each  
27 fund of the district, the funds received from all  
28 sources during the previous year, the funds available  
29 from all sources during the ensuing year, the balances  
30 expected at the end of the year in which the budget is  
31 being prepared, estimated revenues and balances  
32 available to cover the proposed budget, and the  
33 estimated tax rate that will be required. . . .

34 Revised Law

35 Sec. 1008.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
36 The board shall hold a public hearing on the proposed annual budget.

37 (b) The board shall publish notice of the hearing in  
38 accordance with Subchapter C, Chapter 551, Government Code.

39 (c) Any district resident is entitled to be present and  
40 participate at the hearing.

1 (d) At the conclusion of the hearing, the board shall adopt  
2 a budget by acting on the budget proposed by the district  
3 administrator. The board may make any changes in the proposed  
4 budget that the board judges to be in the interests of the taxpayers  
5 and that the law warrants.

6 (e) The budget is effective only after adoption by the  
7 board. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

8 Source Law

9 Sec. 5. . . . A public hearing on the annual  
10 budget shall be held by the board after notice has been  
11 given in the manner provided by Subchapter C, Chapter  
12 551, Government Code. Any person residing in the  
13 district is entitled to be present and participate in  
14 the hearing. At the conclusion of the hearing, the  
15 budget, as proposed by the administrator, shall be  
16 acted on by the board. The board shall have authority  
17 to make changes in the budget that in its judgment the  
18 law warrants and the interest of the taxpayers  
19 demands. . . . the annual budget and . . . shall be  
20 approved by the board. . . .

21 Revised Law

22 Sec. 1008.203. AMENDMENTS TO BUDGET. The budget may be  
23 amended as required by circumstances. The board must approve all  
24 amendments. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

25 Source Law

26 Sec. 5. . . . The annual budget may be amended  
27 from time to time as the circumstances may require, but  
28 . . . all amendments to it shall be approved by the  
29 board. . . .

30 Revisor's Note

31 Section 5, Chapter 74, Acts of the 66th  
32 Legislature, Regular Session, 1979, states that the  
33 board may amend the budget "from time to time." The  
34 revised law omits the quoted language because the  
35 authority to amend the budget implies the authority to  
36 do so at any time.

37 Revised Law

38 Sec. 1008.204. RESTRICTION ON EXPENDITURES. Money may be  
39 spent only for an expense included in the budget or an amendment to  
40 the budget. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

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Source Law

Sec. 5. . . . No expenditure may be made for any expense not included in the annual budget or an amendment to it. . . .

Revised Law

Sec. 1008.205. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Source Law

Sec. 5. The district shall be operated on the basis of a fiscal year established by the board, provided the fiscal year may not be changed during the time revenue bonds of the district are outstanding or more than once in any 24-month period. . . .

Revised Law

Sec. 1008.206. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Source Law

Sec. 5. . . . The board shall have an annual audit made of the financial condition of the district, . . . .

Revised Law

Sec. 1008.207. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Source Law

Sec. 5. . . . [The board shall have an annual audit made of the financial condition of the district,] which together with other records of the district shall be open to inspection at the principal office of the district. . . .

Revised Law

Sec. 1008.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator



1 shall prepare for the board:

2 (1) a complete sworn statement of all district money;  
3 and

4 (2) a complete account of the disbursements of that  
5 money. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

6 Source Law

7 Sec. 5. . . . As soon as practicable after the  
8 close of each fiscal year, the administrator shall  
9 prepare for the board a full sworn statement of all  
10 money belonging to the district and a full account of  
11 the disbursements of same.

12 Revised Law

13 Sec. 1008.209. DEPOSITORY. (a) The board shall select one  
14 or more banks inside or outside the district to serve as a  
15 depository for district money.

16 (b) District money, other than money invested as provided by  
17 Section 1008.210, and money transmitted to a bank for payment of  
18 bonds or obligations issued or assumed by the district, shall be  
19 deposited as received with the depository bank and shall remain on  
20 deposit.

21 (c) This chapter, including Subsection (b), does not limit  
22 the power of the board to place a part of district money on time  
23 deposit or to purchase certificates of deposit.

24 (d) The district may not deposit money with a bank in an  
25 amount that exceeds the maximum amount secured by the Federal  
26 Deposit Insurance Corporation unless the bank has first executed a  
27 bond or other security in an amount sufficient to secure from loss  
28 the district money that exceeds the amount secured by the Federal  
29 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 74, Sec.  
30 10.)

31 Source Law

32 Sec. 10. (a) The board shall name one or more  
33 banks within or without its boundaries to serve as  
34 depository for the funds of the district. All funds of  
35 the district, except those invested as provided in  
36 Section 4 of this Act and those transmitted to a bank  
37 or banks of payment for bonds or obligations issued or  
38 assumed by the district, shall be deposited as  
39 received with the depository bank and shall remain on  
40 deposit, provided that nothing in this Act shall limit  
41 the power of the board to place a portion of the funds

1 on time deposit or purchase certificates of deposit.

2 (b) Before the district deposits funds in any  
3 bank in an amount that exceeds the maximum amount  
4 secured by the Federal Deposit Insurance Corporation,  
5 the bank shall be required to execute a bond or other  
6 security in an amount sufficient to secure from loss  
7 the district funds that exceed the amount secured by  
8 the Federal Deposit Insurance Corporation.

9 Revised Law

10 Sec. 1008.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
11 Except as otherwise provided by this chapter, the district may not  
12 incur an obligation payable from district revenues other than the  
13 revenues on hand or to be on hand in the current and following  
14 district fiscal years.

15 (b) The board may invest operating, depreciation, or  
16 building reserves only in funds or securities specified by Chapter  
17 2256, Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 4(a)  
18 (part), 9(b) (part).)

19 Source Law

20 Sec. 4. (a) . . . in no event shall any  
21 operating, depreciation, or building reserves be  
22 invested in any funds or securities other than those  
23 specified in Article 836 or 837, Revised Statutes.  
24 . . .

25 [Sec. 9]

26 (b) . . . Except as permitted in the preceding  
27 sentence and Sections 6 and 7 of this Act, the district  
28 may incur no obligation payable from revenues of the  
29 district, tax or otherwise, except those on hand or to  
30 be on hand within the then current and following fiscal  
31 years of the district.

32 Revisor's Note

33 (1) Section 4(a), Chapter 74, Acts of the 66th  
34 Legislature, Regular Session, 1979, refers to "Article  
35 836 or 837, Revised Statutes." Those articles were  
36 impliedly repealed by the Public Funds Investment Act  
37 of 1987 (Article 842a-2, Vernon's Texas Civil  
38 Statutes), which was revised in 1993 as Chapter 2256,  
39 Government Code. Chapter 2256 defines "local  
40 government" to include hospital districts and applies  
41 to the district by its own terms. The revised law  
42 therefore substitutes a reference to Chapter 2256,  
43 Government Code, for the references to Articles 836

1 and 837.

2 (2) Section 9(b), Chapter 74, Acts of the 66th  
3 Legislature, Regular Session, 1979, states that  
4 "[e]xcept as permitted in the preceding sentence and  
5 Sections 6 and 7 of this Act," the district may not  
6 incur certain obligations. Section 7 is omitted from  
7 the revised law for the reason stated in Revisor's Note  
8 (2) at the end of Subchapter A. The other referenced  
9 provisions are codified in Section 1008.107 and in  
10 Subchapter F. However, other provisions of the source  
11 law, including Section 14A, codified as Section  
12 1008.211, and Section 8, codified as Section 1008.256,  
13 clearly give the district the authority to incur  
14 additional obligations. Therefore, the revised law  
15 substitutes "[e]xcept as otherwise provided by this  
16 chapter" for the quoted language.

17 Revised Law

18 Sec. 1008.211. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
19 The board may borrow money for district obligations at the time the  
20 loan is made.

21 (b) To secure a loan, the board may pledge:

22 (1) district revenue that is not pledged to pay the  
23 district's bonded indebtedness;

24 (2) a district tax to be imposed by the district in the  
25 next 12-month period that is not pledged to pay the principal of or  
26 interest on district bonds; or

27 (3) district bonds that have been authorized but not  
28 sold.

29 (c) A loan for which taxes or bonds are pledged must mature  
30 not later than the first anniversary of the date the loan is made. A  
31 loan for which district revenue is pledged must mature not later  
32 than the fifth anniversary of the date the loan is made. (Acts 66th  
33 Leg., R.S., Ch. 74, Sec. 14A.)





1 (5) the amount of the bonds to be authorized; and

2 (6) the maximum maturity of the bonds.

3 (c) Notice of a bond election shall be given as provided by  
4 Section 1251.003, Government Code.

5 (d) Chapter 41, Election Code, does not apply to an election  
6 held under this section.

7 (e) The board shall declare the results of the election.  
8 (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

9 Source Law

10 (a) . . . No bonds may be issued by the hospital  
11 district . . . until authorized by a majority of the  
12 qualified electors of the district. The board, in  
13 ordering a bond election, shall specify the date of the  
14 election, the amount of bonds to be authorized, the  
15 maximum maturity of the bonds, the place or places  
16 where the election will be held, and the presiding  
17 judge and alternate judge for each voting place and  
18 shall provide for clerks as in county elections.  
19 Chapter 41, Election Code, does not apply to a bond  
20 election. Notice of any bond election shall be given  
21 as provided in Article 704, Revised Statutes, and the  
22 election shall be conducted in accordance with the  
23 Election Code, except as modified by the provisions of  
24 this Act. The board shall canvass the returns and  
25 declare the results.

26 Revisor's Note

27 (1) Section 6(a), Chapter 74, Acts of the 66th  
28 Legislature, Regular Session, 1979, states that the  
29 board "shall provide for clerks as in county  
30 elections." The revised law omits that provision as  
31 unnecessary because Subchapter B, Chapter 32, Election  
32 Code, prescribes the procedure for appointing election  
33 clerks in all elections.

34 (2) Section 6(a), Chapter 74, Acts of the 66th  
35 Legislature, Regular Session, 1979, refers to Article  
36 704, Revised Statutes, which specifies certain notice  
37 requirements for a bond election. That provision was  
38 codified in 1999 as Section 1251.003, Government Code.  
39 The revised law is drafted accordingly.

40 (3) Section 6(a), Chapter 74, Acts of the 66th  
41 Legislature, Regular Session, 1979, states that the  
42 election shall be "conducted in accordance with the

1 Election Code, except as modified by the provisions of  
2 this Act." The revised law omits the quoted language  
3 as unnecessary because Section 1.002, Election Code,  
4 provides that the Election Code applies to all  
5 elections held in this state. An exception to the  
6 application of the Election Code would apply by its own  
7 terms.

8 (4) Section 6(a), Chapter 74, Acts of the 66th  
9 Legislature, Regular Session, 1979, provides that  
10 "[t]he board shall canvass the returns" of a bond  
11 election. The revised law omits this requirement  
12 because it duplicates Section 67.002, Election Code,  
13 which requires the governing body of a political  
14 subdivision that orders an election to canvass the  
15 returns.

16 Revised Law

17 Sec. 1008.254. MATURITY OF GENERAL OBLIGATION BONDS.  
18 District general obligation bonds must mature not later than 40  
19 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 74,  
20 Sec. 6(c) (part).)

21 Source Law

22 (c) Bonds of the district shall mature within 40  
23 years of their date, . . . .

24 Revised Law

25 Sec. 1008.255. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
26 The board president shall execute the general obligation bonds in  
27 the district's name.

28 (b) The board secretary shall countersign the bonds in the  
29 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
30 R.S., Ch. 74, Sec. 6(c) (part).)

31 Source Law

32 (c) . . . shall be executed in the name of the  
33 hospital district and in its behalf by the president of  
34 the board, shall be countersigned by the secretary in  
35 the manner provided by Chapter 204, Acts of the 57th  
36 Legislature, Regular Session, 1961, as amended  
37 (Article 717j-1, Vernon's Texas Civil Statutes),  
38 . . . .

1 Revisor's Note

2 (1) Section 6(c), Chapter 74, Acts of the 66th  
3 Legislature, Regular Session, 1979, refers to Chapter  
4 204, Acts of the 57th Legislature, Regular Session,  
5 1961, as amended (Article 717j-1, Vernon's Texas Civil  
6 Statutes). That statute was codified in 1999 as  
7 Chapter 618, Government Code, and the revised law is  
8 drafted accordingly. The revised law omits the  
9 references to "as amended" throughout this chapter  
10 because under Section 311.027, Government Code (Code  
11 Construction Act), applicable to the revised law, a  
12 reference to a statute applies to all reenactments,  
13 revisions, or amendments of that statute unless  
14 expressly provided otherwise.

15 (2) Section 6(c), Chapter 74, Acts of the 66th  
16 Legislature, Regular Session, 1979, provides in part  
17 that general obligation bonds issued under Chapter 74  
18 must bear interest at a rate not to exceed that  
19 provided by Chapter 3, Acts of the 61st Legislature,  
20 Regular Session, 1969 (Article 717k-2, Vernon's Texas  
21 Civil Statutes). The maximum interest rate noted in  
22 Chapter 3 was revised in 1999 as Section 1204.006,  
23 Government Code. Section 1204.006 permits a public  
24 agency, including a hospital district, to issue public  
25 securities at any net effective interest rate of 15  
26 percent or less and applies to the district under  
27 Section 1204.001, Government Code. The revised law  
28 omits the reference because it duplicates Section  
29 1204.006. The omitted law reads:

30 (c) . . . shall bear interest at a  
31 rate not to exceed that prescribed by  
32 Chapter 3, Acts of the 61st Legislature,  
33 Regular Session, 1969, as amended (Article  
34 717k-2, Vernon's Texas Civil Statutes), and  
35 . . . .

36 (3) Section 6(c), Chapter 74, Acts of the 66th  
37 Legislature, Regular Session, 1979, provides that the



1 general obligation bonds are subject to the law  
2 governing counties that relates to bond approval by  
3 the attorney general and registration of the bonds by  
4 the comptroller. Section 6(c) also provides that  
5 after approval and registration the bonds are  
6 "incontestable for any cause." The revised law omits  
7 those provisions as superseded by Chapter 1202,  
8 Government Code (enacted as Article 3, Chapter 53,  
9 Acts of the 70th Legislature, 2nd Called Session,  
10 1987). Section 1202.003(a), Government Code, requires  
11 bonds to be submitted to the attorney general. Section  
12 1202.003(b), Government Code, provides for approval of  
13 the bonds by the attorney general and requires the  
14 attorney general to submit the approved bonds to the  
15 comptroller for registration. Section 1202.005,  
16 Government Code, requires registration of the bonds by  
17 the comptroller. Section 1202.006, Government Code,  
18 provides that after approval and registration the  
19 bonds are incontestable and binding obligations.  
20 Chapter 1202, Government Code, applies to bonds issued  
21 under this chapter by application of Section 1202.001,  
22 Government Code. The omitted law reads:

23 (c) . . . shall be subject to the  
24 same requirements in the manner of approval  
25 by the attorney general and registration by  
26 the comptroller of public accounts as are by  
27 law provided for approval and registration  
28 of bonds issued by counties. On the  
29 approval of the bonds by the attorney  
30 general and registration by the  
31 comptroller, the bonds shall be  
32 incontestable for any cause.

33 Revised Law

34 Sec. 1008.256. REVENUE BONDS. (a) The board may issue  
35 revenue bonds to:

36 (1) purchase, construct, acquire, repair, renovate,  
37 or equip buildings or improvements for hospital purposes; or

38 (2) acquire sites to be used for hospital purposes.

39 (b) The bonds must be payable from and secured by a pledge of

1 all or part of the revenues derived from the operation of the  
2 district's hospitals.

3 (c) The bonds may be additionally secured by a mortgage or  
4 deed of trust lien on all or part of district property.

5 (d) The bonds must be issued in the manner and in accordance  
6 with the procedures and requirements prescribed by Sections  
7 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
8 issuance of revenue bonds by a county hospital authority. (Acts  
9 66th Leg., R.S., Ch. 74, Sec. 8 (part).)

10 Source Law

11 Sec. 8. In addition to the power to issue bonds  
12 payable from taxes levied by the district as  
13 contemplated by Section 6 of this Act, the board may  
14 issue revenue bonds and . . . for purchasing,  
15 constructing, acquiring, repairing, equipping, or  
16 renovating buildings and improvements for hospital  
17 purposes, and for acquiring sites for hospital  
18 purposes. The bonds shall be payable from and secured  
19 by a pledge of all or any part of the revenues of the  
20 district to be derived from the operation of its  
21 hospital or hospitals, and the bonds may be  
22 additionally secured by a mortgage or deed of trust  
23 lien on any part or all of its property. The bonds  
24 shall be issued in the manner and in accordance with  
25 the procedures and requirements specified for the  
26 issuance of revenue bonds by county hospital  
27 authorities in Sections 264.042, 264.043, 264.046,  
28 264.047, 264.048, and 264.049, Health and Safety Code.

29 Revised Law

30 Sec. 1008.257. REFUNDING BONDS. (a) The board may, without  
31 an election, issue refunding bonds to refund outstanding bonds  
32 issued or assumed by the district.

33 (b) A refunding bond may be:

34 (1) sold, with the proceeds of the refunding bonds  
35 applied to the payment of the bonds to be refunded; or

36 (2) exchanged in whole or in part for not less than a  
37 similar principal amount of outstanding indebtedness.

38 (c) If a refunding bond is sold, the bond must be issued and  
39 the payments must be made in the manner provided by Chapter 1207,  
40 Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 6(a) (part),  
41 (b), 8 (part).)

42 Source Law

43 Sec. 6. (a) . . . [No bonds may be issued by

1 the hospital district] except refunding bonds [until  
2 authorized by a majority of the qualified electors of  
3 the district.] . . .

4 (b) Refunding bonds of the district may be  
5 issued for the purpose of refunding and paying off any  
6 outstanding indebtedness it has issued or assumed.  
7 The refunding bonds may be sold and the proceeds  
8 applied to the payment of outstanding indebtedness or  
9 may be exchanged in whole or in part for not less than a  
10 similar principal amount of outstanding indebtedness.  
11 If the refunding bonds are to be sold and the proceeds  
12 applied to the payment of any outstanding  
13 indebtedness, the refunding bonds shall be issued and  
14 payments made in the manner specified by Chapter 503,  
15 Acts of the 54th Legislature, 1955, as amended  
16 (Article 717k, Vernon's Texas Civil Statutes).  
17 Refunding bonds shall be issued in conformity with  
18 Chapter 784, Acts of the 61st Legislature, Regular  
19 Session, 1969 (Article 717k-3, Vernon's Texas Civil  
20 Statutes).

21 Sec. 8. . . . the board may . . . refund any  
22 previously issued revenue bonds . . . .

23 Revisor's Note

24 Section 6(b), Chapter 74, Acts of the 66th  
25 Legislature, Regular Session, 1979, provides that  
26 refunding bonds sold to pay outstanding indebtedness  
27 "shall be issued and payments made in the manner  
28 specified by Chapter 503, Acts of the 54th  
29 Legislature, 1955, as amended (Article 717k, Vernon's  
30 Texas Civil Statutes)." In addition, the section  
31 provides that refunding bonds shall be issued "in  
32 conformity with Chapter 784, Acts of the 61st  
33 Legislature, Regular Session, 1969 (Article 717k-3,  
34 Vernon's Texas Civil Statutes)." Articles 717k and  
35 717k-3 were codified in 1999 as Chapter 1207,  
36 Government Code, and the revised law is drafted  
37 accordingly.

38 Revised Law

39 Sec. 1008.258. BONDS EXEMPT FROM TAXATION. The following  
40 are exempt from taxation by this state or a political subdivision of  
41 this state:

- 42 (1) bonds issued by the district;  
43 (2) the transfer and issuance of the bonds; or  
44 (3) profits made in the sale of the bonds. (Acts 66th  
45 Leg., R.S., Ch. 74, Sec. 20 (part).)

1 Source Law

2 Sec. 20. . . . any bonds issued by it and their  
3 transfer and issuance by the district, including any  
4 profits made in the sale of the bonds, shall at all  
5 times be free from taxation by the state or any  
6 municipality or political subdivision of the state.

7 Revisor's Note

8 Section 20, Chapter 74, Acts of the 66th  
9 Legislature, Regular Session, 1979, refers to "any  
10 municipality or political subdivision of this state."  
11 The revised law omits "municipality" because that term  
12 is included within the meaning of "political  
13 subdivision of the state."

14 Revisor's Note  
15 (End of Subchapter)

16 (1) Section 12, Chapter 74, Acts of the 66th  
17 Legislature, Regular Session, 1979, provides that  
18 bonds issued under that act are authorized investments  
19 for certain entities. The revised law omits the  
20 provision as unnecessary. As to several of the  
21 entities listed, Section 12 has been superseded and  
22 impliedly repealed. Investments in securities by  
23 banks are regulated by Section 34.101, Finance Code  
24 (enacted in 1995 as Section 5.101, Texas Banking Act  
25 (Article 342-5.101, Vernon's Texas Civil Statutes)).  
26 Investments in securities by savings banks are  
27 regulated by Section 93.001(c)(10), Finance Code  
28 (enacted in 1993 as Section 7.15(10), Texas Savings  
29 Bank Act (Article 489e, Vernon's Texas Civil  
30 Statutes)). Investments in securities by trust  
31 companies are regulated by Section 184.101, Finance  
32 Code (enacted in 1997 as Section 5.101, Texas Trust  
33 Company Act (Article 342a-5.101, Vernon's Texas Civil  
34 Statutes)). Investments in securities by savings and  
35 loan associations are regulated by Sections 63.002 and  
36 64.001, Finance Code. As to the remaining entities  
37 listed, Section 12 is superseded by Section 1201.041,

1 Government Code, enacted as Section 9, Bond Procedures  
2 Act of 1981 (Article 717k-6, Vernon's Texas Civil  
3 Statutes). Section 1201.041, Government Code, applies  
4 to bonds issued under this chapter by application of  
5 Section 1201.002, Government Code. The revised law  
6 omits the reference to sinking funds of this state  
7 because it has been superseded by Section 404.024,  
8 Government Code (enacted in 1985 as Section 2.014,  
9 Treasury Act (Article 4393-1, Vernon's Texas Civil  
10 Statutes)), which governs the investment of state  
11 funds. Section 404.024(b)(10), Government Code,  
12 authorizes the investment of state funds in  
13 obligations of political subdivisions, including  
14 hospital districts. The omitted law reads:

15           Sec. 12. All bonds issued and  
16           indebtedness assumed by the district shall  
17           be and are hereby declared to be legal and  
18           authorized investments of banks, savings  
19           banks, trust companies, building and loan  
20           associations, savings and loan  
21           associations, insurance companies,  
22           trustees, and sinking funds of cities,  
23           towns, villages, counties, school  
24           districts, or other political subdivisions  
25           or corporations of the State of Texas, and  
26           . . . .

27           (2) Section 12, Chapter 74, Acts of the 66th  
28           Legislature, Regular Session, 1979, effectively  
29           provides that bonds issued under that act may secure  
30           deposits of public funds of this state or political  
31           subdivisions of this state. The revised law omits the  
32           provisions as impliedly repealed by Section 404.0221,  
33           Government Code (enacted in 1995), which lists  
34           eligible collateral for deposits of state funds by the  
35           comptroller, and by Chapter 2257, Government Code  
36           (enacted in 1989 as Article 2529d, Vernon's Texas Civil  
37           Statutes), which governs eligible collateral for  
38           deposits of funds of other public agencies, including  
39           political subdivisions. The omitted law reads:

40           Sec. 12. . . . public funds of the

1 State of Texas or cities, towns, villages,  
2 counties, school districts, or other  
3 political subdivisions or corporations of  
4 the State of Texas and shall be lawful and  
5 sufficient security for those deposits to  
6 the extent of their value when accompanied  
7 by all unmatured coupons appurtenant  
8 thereto.

9 [Sections 1008.259-1008.300 reserved for expansion]

10 SUBCHAPTER G. TAXES

11 Revised Law

12 Sec. 1008.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
13 shall impose a tax on all property in the district subject to  
14 district taxation.

15 (b) The tax may be used to pay:

16 (1) indebtedness issued or assumed by the district;  
17 and

18 (2) the maintenance and operating expenses of the  
19 district.

20 (c) The district may not impose a tax to pay the principal of  
21 or interest on revenue bonds issued under this chapter. (Acts 66th  
22 Leg., R.S., Ch. 74, Secs. 11(a) (part), 14(a) (part), (c), (d).)

23 Source Law

24 Sec. 11. (a) The board may annually levy a tax  
25 . . . for the purpose of paying:

26 (1) the indebtedness assumed or issued by  
27 the district, but no tax may be levied to pay principal  
28 of or interest on revenue bonds issued under the  
29 provisions of Section 8 of this Act; and

30 (2) the maintenance and operating expenses  
31 of the district.

32 Sec. 14. (a) . . . Hospital tax shall be  
33 levied on all taxable property within the district  
34 subject to hospital district taxation.

35 (c) The taxes may be used to pay:

36 (1) the indebtedness issued or assumed by  
37 the district; and

38 (2) the maintenance and operating expenses  
39 of the district.

40 (d) The district may not impose taxes to pay the  
41 principal of or interest on revenue bonds.

42 Revised Law

43 Sec. 1008.302. TAX RATE. (a) The board may impose the tax  
44 at a rate not to exceed the limit approved by the voters at the  
45 election authorizing the imposition of the tax.

46 (b) The tax rate on all taxable property in the district for

1 all purposes may not exceed 75 cents on each \$100 valuation of all  
2 taxable property in the district.

3 (c) In setting the tax rate, the board shall consider the  
4 income of the district from sources other than taxation. (Acts 66th  
5 Leg., R.S., Ch. 74, Secs. 11(a) (part), (b) (part), 14(b).)

6 Source Law

7 Sec. 11. (a) [The board may annually levy a  
8 tax] not to exceed the amount permitted by this Act

9 . . . .  
10 (b) In setting the tax rate, the board shall  
11 take into consideration the income of the district  
12 from sources other than taxation. . . .

13 [Sec. 14]

14 (b) The board annually may impose property taxes  
15 in an amount not to exceed the limit approved by the  
16 voters at the election authorizing the levy of taxes.  
17 The tax rate for all purposes may not exceed 75 cents  
18 on each \$100 valuation of all taxable property in the  
19 district.

20 Revisor's Note

21 Section 11(b), Chapter 74, Acts of the 66th  
22 Legislature, Regular Session, 1979, requires the board  
23 to certify the tax rate to the tax assessor-collector.  
24 The revised law omits that provision because Section  
25 26.01, Tax Code, requires the chief appraiser of an  
26 appraisal district to certify to the tax assessor of  
27 each taxing unit that has property in the appraisal  
28 district an appraisal roll that lists the properties  
29 taxable by that taxing unit and the value of those  
30 properties. The omitted law reads:

31 (b) . . . On determination of the  
32 amount of tax required to be levied, the  
33 board shall make the levy and certify it to  
34 the tax assessor-collector.

35 Revised Law

36 Sec. 1008.303. TAX ASSESSOR-COLLECTOR. The board may  
37 provide for the appointment of a tax assessor-collector for the  
38 district or may contract for the assessment and collection of taxes  
39 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 74, Sec.  
40 14(f).)

1 Source Law

2 (f) The board may provide for the appointment of  
3 a tax assessor-collector for the district or may  
4 contract for the assessment and collection of taxes as  
5 provided by the Tax Code.

6 Revisor's Note

7 Section 14(a), Chapter 74, Acts of the 66th  
8 Legislature, Regular Session, 1979, provides that  
9 district taxes are imposed "on county values as  
10 provided in Subsection (b) of this section" unless the  
11 board votes to have the taxes collected by the  
12 district's tax assessor-collector. The revised law  
13 omits this provision as impliedly repealed by a 1999  
14 amendment to Section 14. Section 8, Chapter 500, Acts  
15 of the 76th Legislature, Regular Session, 1999,  
16 amended Section 14 and repealed the language in  
17 Section 14(b) that had specified the procedure by  
18 which the district taxes were imposed on county values  
19 and collected by the tax assessor-collector of  
20 Hardeman County. The 1999 amendment also added  
21 Section 14(f), codified in this section, relating to  
22 the authority of the district to appoint or contract  
23 for a tax assessor-collector. The omitted law reads:

24 (a) . . . All taxes of the district  
25 shall be assessed and collected on county  
26 tax values as provided in Subsection (b) of  
27 this section unless the board, by majority  
28 vote, elects to have taxes assessed and  
29 collected by its own tax assessor-collector  
30 under this section. An election may be held  
31 annually before December 1 and shall govern  
32 the manner in which taxes are subsequently  
33 assessed and collected until changed by a  
34 similar resolution. . . .

35 Revisor's Note  
36 (End of Subchapter)

37 (1) Section 4(i), Chapter 74, Acts of the 66th  
38 Legislature, Regular Session, 1979, authorizes the  
39 board to institute a suit to enforce the payment of  
40 taxes and to foreclose liens to secure that payment.  
41 The revised law omits that provision as unnecessary



1 because Chapter 33, Tax Code, authorizes a taxing unit  
2 of government to file suit to enforce the payment of  
3 taxes and to foreclose a lien to secure that payment.  
4 The omitted law reads:

5 (i) The board may institute a suit to  
6 enforce the payment of taxes and to  
7 foreclose liens to secure the payment of  
8 taxes due to the district.

9 (2) Section 14(a), Chapter 74, Acts of the 66th  
10 Legislature, Regular Session, 1979, provides that the  
11 district may impose taxes for the entire year in which  
12 the district is created. The revised law omits that  
13 provision as executed. The omitted law reads:

14 Sec. 14. (a) The board may levy taxes  
15 for the entire year in which the district is  
16 created as a result of the election provided  
17 in this Act. . . .

18 (3) Section 14(e), Chapter 74, Acts of the 66th  
19 Legislature, Regular Session, 1979, provides that the  
20 Tax Code governs the appraisal, assessment, and  
21 collection of district taxes. The revised law omits  
22 this provision as unnecessary because Section 1.02,  
23 Tax Code, requires all taxing units of government to  
24 administer the assessment and collection of an ad  
25 valorem tax in conformity with Title 1, Tax Code. The  
26 omitted law reads:

27 (e) The Tax Code governs the  
28 appraisal, assessment, and collection of  
29 district taxes.

30 Revisor's Note  
31 (End of Chapter)

32 (1) Sections 2 and 18, Chapter 74, Acts of the  
33 66th Legislature, Regular Session, 1979, provide for  
34 the transfer of certain land, buildings, improvements,  
35 equipment, funds, and taxes to the district after the  
36 district is created and provide for the assumption of  
37 debt by the district on creation. The revised law  
38 omits the provisions as executed. The omitted law  
39 reads:

1                   Sec. 2. [The district] shall take  
2 over and there shall be transferred to it  
3 title to all land, buildings, improvements,  
4 and equipment pertaining to the hospitals  
5 or hospital system which may be located  
6 wholly within the district and owned by  
7 Hardeman County or any city or town within  
8 the district and . . . . The district shall  
9 assume the outstanding indebtedness  
10 incurred by Hardeman County or any city or  
11 town within the district to provide medical  
12 care for residents of the district prior to  
13 the creation of the district.

14                   Sec. 18. . . . When the district is  
15 created and established, Hardeman County  
16 and all towns and cities located wholly or  
17 partly in the district shall convey and  
18 transfer to the district:

19                   (1) title to all land,  
20 buildings, improvements, and equipment in  
21 any way pertaining to a hospital or hospital  
22 system located wholly within the district  
23 that may be jointly or separately owned by  
24 the county, city, or town;

25                   (2) operating funds and  
26 reserves for operating expenses that are on  
27 hand and funds that have been budgeted to  
28 provide medical care for residents of the  
29 district by the county, city, or town for  
30 the remainder of the fiscal year in which  
31 the district is established;

32                   (3) taxes levied for hospital  
33 purposes by the county, city, or town for  
34 the current year; and

35                   (4) all sinking funds  
36 established for payment of indebtedness  
37 assumed by the district.

38                   (2) Section 21, Chapter 74, Acts of the 66th  
39 Legislature, Regular Session, 1979, provides that  
40 public notice of enactment of the statute was provided  
41 in a manner that satisfies the requirements of the  
42 Texas Constitution. The revised law omits that  
43 section as executed. The omitted law reads:

44                   Sec. 21. The legislature finds  
45 publication of the notice required in the  
46 enactment of this law under the provisions  
47 of Article IX, Section 9, of the Texas  
48 Constitution has been made in the manner and  
49 form provided by law pertaining to the  
50 enactment of local and special laws.

51                   CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

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28 CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Revised Law

31 Sec. 1009.001. DEFINITIONS. In this chapter:

32 (1) "Board" means the board of directors of the

33 district.

34 (2) "Director" means a member of the board.

1 (3) "District" means the Cochran Memorial Hospital  
2 District. (New.)

3 Revisor's Note

4 The definitions of "board," "director," and  
5 "district" are added to the revised law for drafting  
6 convenience and to eliminate frequent, unnecessary  
7 repetition of the substance of the definitions.

8 Revised Law

9 Sec. 1009.002. AUTHORITY FOR CREATION. The Cochran  
10 Memorial Hospital District is created under the authority of  
11 Section 9, Article IX, Texas Constitution. (Acts 60th Leg., R.S.,  
12 Ch. 494, Sec. 1 (part).)

13 Source Law

14 Sec. 1. Pursuant to authority granted by the  
15 provisions of Section 9, Article IX, Constitution of  
16 the State of Texas, Cochran Memorial Hospital District  
17 is hereby authorized to be created and . . . .

18 Revised Law

19 Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION. The district  
20 performs an essential public function in carrying out the purposes  
21 of this chapter. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

22 Source Law

23 Sec. 8. In carrying out the purposes of this Act  
24 the district will be performing an essential public  
25 function and . . . .

26 Revised Law

27 Sec. 1009.004. DISTRICT TERRITORY. The boundaries of the  
28 district are coextensive with the boundaries of Cochran County,  
29 Texas. (Acts 60th Leg., R.S., Ch. 494, Sec. 1 (part).)

30 Source Law

31 Sec. 1. . . . Cochran Memorial Hospital  
32 District . . . as created shall have boundaries  
33 co-extensive with the boundaries of Cochran County,  
34 Texas, and . . . .

35 Revised Law

36 Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
37 OBLIGATION. The support and maintenance of the district may not  
38 become a charge against or obligation of this state. (Acts 60th

1 Leg., R.S., Ch. 494, Sec. 18 (part).)

2 Source Law

3 Sec. 18. The support and maintenance of the  
4 Cochran Memorial Hospital District shall never become  
5 a charge against or obligation of the State of  
6 Texas, . . . .

7 Revised Law

8 Sec. 1009.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
9 The legislature may not make a direct appropriation for the  
10 construction, maintenance, or improvement of a district facility.  
11 (Acts 60th Leg., R.S., Ch. 494, Sec. 18 (part).)

12 Source Law

13 Sec. 18. . . . nor shall any direct  
14 appropriation be made by the Legislature for the  
15 construction, maintenance, or improvement of any of  
16 the facilities of such district.

17 Revisor's Note  
18 (End of Subchapter)

19 (1) Section 1, Chapter 494, Acts of the 60th  
20 Legislature, Regular Session, 1967, provides that the  
21 district has "such rights, powers, and duties as are  
22 hereinafter prescribed." The revised law omits that  
23 provision as unnecessary because the chapter by its  
24 own terms provides the district's rights, powers, and  
25 duties. The omitted law reads:

26 Sec. 1. . . . [Cochran Memorial  
27 Hospital District . . . shall] . . .  
28 possess such rights, powers, and duties as  
29 are hereinafter prescribed.

30 (2) Section 3, Chapter 494, Acts of the 60th  
31 Legislature, Regular Session, 1967, provides  
32 procedures for holding an election on creation of the  
33 Cochran Memorial Hospital District and the imposition  
34 of an ad valorem tax. Because the creation of the  
35 hospital district and the imposition of the tax were  
36 approved at the described election, the revised law  
37 omits Section 3 as executed. The omitted law reads:

38 Sec. 3. The district shall not be  
39 created nor shall any tax therein be  
40 authorized unless and until such creation  
41 and such tax are approved by a majority of

1 the qualified property taxpaying electors  
2 of the district voting at an election called  
3 for such purpose. Such election may be  
4 initiated by the commissioners court of  
5 Cochran County upon its own motion or shall  
6 be called by said commissioners court upon  
7 presentation of a petition therefor signed  
8 by at least 100 qualified property  
9 taxpaying electors of the district. Such  
10 election shall be held not less than 30 nor  
11 more than 60 days from the time such  
12 election is ordered by the commissioners  
13 court. The order calling the election shall  
14 specify the time and places of holding same,  
15 the form of ballot and the presiding judge  
16 for each voting place. Notice of election  
17 shall be given by publishing a substantial  
18 copy of the election order in a newspaper of  
19 general circulation in Cochran County,  
20 Texas, once a week for two consecutive  
21 weeks, the first publication to appear at  
22 least 14 days prior to the date established  
23 for the election. If the proposition to  
24 create the Cochran Memorial Hospital  
25 District fails to carry at the election, no  
26 other election for the same purpose may be  
27 held within one year after the result of the  
28 election is announced officially. At said  
29 election there shall be submitted to the  
30 qualified property taxpaying electors of  
31 Cochran County the proposition of whether  
32 or not Cochran Memorial Hospital District  
33 shall be created with authority to levy  
34 annual taxes at a rate not to exceed 75  
35 cents on the \$100 valuation of taxable  
36 property within such district for the  
37 purpose of meeting the requirements of the  
38 district's bonds, indebtedness assumed by  
39 it, and its maintenance and operating  
40 expenses, and a majority of the qualified  
41 property taxpaying electors of the district  
42 voting at said election in favor of the  
43 proposition shall be sufficient for its  
44 adoption. The ballots shall have printed  
45 thereon the following:

46 "FOR the creation of Cochran Memorial  
47 Hospital District providing for the levy of  
48 a tax not to exceed 75 cents on the \$100  
49 valuation using Cochran County values and  
50 Cochran County tax rolls, and providing for  
51 the assumption by such district of all  
52 outstanding bonds and indebtedness  
53 heretofore issued by Cochran County and by  
54 any city or town within said county for  
55 hospital purposes."

56 "AGAINST the creation of Cochran  
57 Memorial Hospital District providing for  
58 the levy of a tax not to exceed 75 cents on  
59 the \$100 valuation using Cochran County  
60 values and Cochran County tax rolls, and  
61 providing for the assumption by such  
62 district of all outstanding bonds and  
63 indebtedness heretofore issued by Cochran  
64 County and by any city or town within said  
65 county for hospital purposes."

66 (3) Section 19, Chapter 494, Acts of the 60th  
67 Legislature, Regular Session, 1967, provides that the

1 act is severable. The revised law omits that provision  
2 because it duplicates Section 311.032, Government Code  
3 (Code Construction Act), applicable to the revised  
4 law, which provides that a provision of a statute is  
5 severable from each other provision of the statute  
6 that can be given effect. The omitted law reads:

7           Sec. 19. If any of the provisions of  
8 this Act or the application thereof to any  
9 person or circumstances is held invalid,  
10 such invalidity shall not affect other  
11 provisions or applications of the Act which  
12 can be given effect without the invalid  
13 provision or application, and to this end  
14 the provisions of this Act are declared to  
15 be severable.

16 [Sections 1009.007-1009.050 reserved for expansion]

17           SUBCHAPTER B. DISTRICT ADMINISTRATION

18                   Revised Law

19           Sec. 1009.051. BOARD; ELECTION. (a) The board consists of  
20 five elected directors.

21           (b) One director is elected from each county commissioners  
22 precinct and one director is elected from the district at large.  
23 (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

24                   Source Law

25           Sec. 4. At the election to create the district  
26 the qualified voters of the proposed hospital district  
27 shall receive a separate ballot to elect five  
28 directors . . . . One director shall be elected from  
29 each commissioners precinct and one director shall be  
30 elected from the district at large. . . .

31                   Revisor's Note

32           (1) Section 4, Chapter 494, Acts of the 60th  
33 Legislature, Regular Session, 1967, provides "[a]t the  
34 election to create the district the qualified voters  
35 of the proposed hospital district shall receive a  
36 separate ballot to elect" five directors. The revised  
37 law omits the quoted language as executed but codifies  
38 the establishment of a board consisting of five  
39 directors.

40           (2) Section 4, Chapter 494, Acts of the 60th  
41 Legislature, Regular Session, 1967, provides that



1 directors' elections shall be held on the first  
2 Saturday in April each year. The revised law omits  
3 that provision as impliedly repealed by a 1986  
4 amendment to Section 41.001, Election Code. Chapter  
5 14, Acts of the 69th Legislature, 3rd Called Session,  
6 1986, amended Section 41.001, Election Code, to  
7 prescribe certain uniform election dates. Section 37  
8 of that act required a political subdivision that had  
9 held its general election of officers on the first  
10 Saturday in April to hold that election on a uniform  
11 election date in May or to choose a different uniform  
12 election date on which to hold the election. The  
13 omitted law reads:

14           Sec. 4. . . . The regular election  
15           of directors shall be held on the first  
16           Saturday in April in each year, and . . . .

17                           Revised Law

18           Sec. 1009.052. TERM. Directors serve staggered two-year  
19 terms unless a four-year term is established under Section 285.081,  
20 Health and Safety Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 4  
21 (part).)

22                           Source Law

23           Sec. 4. . . . After the election of the first  
24 directors, they shall draw lots and three shall serve  
25 for a one-year term and two shall serve for a two-year  
26 term. Thereafter, all directors will serve for a  
27 period of two years and until their successors have  
28 been duly elected or appointed and qualified. . . .

29                           Revisor's Note

30           (1) Section 4, Chapter 494, Acts of the 60th  
31 Legislature, Regular Session, 1967, provides that  
32 "[a]fter the election of the first directors, they  
33 shall draw lots" and serve staggered terms of two  
34 years. Section 285.081, Health and Safety Code,  
35 applicable to all hospital districts, provides a  
36 mechanism by which the governing board of a hospital  
37 district, on its own motion, may order that the  
38 directors are to be elected in even-numbered years to

1 serve staggered four-year terms. The revised law is  
2 drafted accordingly and adds a reference to Section  
3 285.081 for the convenience of the reader. The revised  
4 law omits the quoted language as executed.

5 (2) Section 4, Chapter 494, Acts of the 60th  
6 Legislature, Regular Session, 1967, provides that the  
7 directors serve "until their successors have been duly  
8 elected or appointed and qualified." The revised law  
9 omits that provision as unnecessary because it  
10 duplicates Section 17, Article XVI, Texas  
11 Constitution, which provides that an officer in this  
12 state is to continue to perform the officer's official  
13 duties until a successor has qualified.

14 Revised Law

15 Sec. 1009.053. NOTICE OF ELECTION. At least 10 days before  
16 the date of an election of directors, notice of the election shall  
17 be published one time in a newspaper of general circulation in  
18 Cochran County. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

19 Source Law

20 Sec. 4. . . . notice of such election shall be  
21 published in a newspaper of general circulation in  
22 Cochran County one time at least 10 days prior to the  
23 date of election. . . .

24 Revised Law

25 Sec. 1009.054. BALLOT PETITION. (a) A person who wants to  
26 have the person's name printed on the ballot as a candidate for  
27 director must file a petition requesting that action.

28 (b) The petition must be:

- 29 (1) signed by at least 10 qualified voters; and  
30 (2) filed at least 25 days before the date of the  
31 election. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

32 Source Law

33 Sec. 4. . . . Any person desiring to have his  
34 name printed on the ballot as a candidate for director  
35 shall file a petition signed by not less than 10  
36 qualified voters to such effect, at least 25 days prior  
37 to the election.

1 Revised Law

2 Sec. 1009.055. QUALIFICATIONS FOR OFFICE. To qualify for  
3 election to the board, a person must:

4 (1) be a resident of Cochran County; and

5 (2) own property in Cochran County subject to  
6 taxation. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

7 Source Law

8 Sec. 4. . . . To qualify for election to the  
9 board, a person must be at least 21 years of age, be a  
10 resident of the county, and own property subject to  
11 taxation within the county. . . .

12 Revisor's Note

13 Section 4, Chapter 494, Acts of the 60th  
14 Legislature, Regular Session, 1967, states that a  
15 person "must be at least 21 years of age" to qualify  
16 for election as a board member. The revised law omits  
17 that provision because Chapter 129, Civil Practice and  
18 Remedies Code, establishes 18 years as the age of  
19 majority in this state. Section 129.002, Civil  
20 Practice and Remedies Code, provides that a law  
21 adopted before August 27, 1973, that extends a right,  
22 privilege, or obligation to an individual on the basis  
23 of a minimum age of 19, 20, or 21 years shall be  
24 interpreted as prescribing a minimum age of 18 years.  
25 Section 4 was enacted in 1967 and has not been amended.

26 Revised Law

27 Sec. 1009.056. FILING OF OATH. The constitutional oath of  
28 office executed by a director must be filed in the district's  
29 office. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

30 Source Law

31 Sec. 4. . . . [Each member of the board of  
32 directors shall qualify for his office by executing]  
33 the Constitutional oath of office to be filed in the  
34 office of the district. . . .

35 Revisor's Note

36 Section 4, Chapter 494, Acts of the 60th  
37 Legislature, Regular Session, 1967, requires a board

1 member to take the constitutional oath of office. The  
2 revised law omits that provision as unnecessary  
3 because Section 1, Article XVI, Texas Constitution,  
4 requires all officers to take the oath before assuming  
5 office. The omitted law reads:

6           Sec. 4. . . . Each member of the  
7 board of directors shall qualify for his  
8 office by executing [the Constitutional  
9 oath of office] . . . .

10                           Revised Law

11           Sec. 1009.057. BOARD VACANCY. (a) If a vacancy occurs in  
12 the office of director, the remaining directors shall appoint a  
13 director for the unexpired term.

14           (b) If the number of directors is reduced to fewer than  
15 three for any reason, the remaining directors shall immediately  
16 call a special election to fill the vacancies. If the remaining  
17 directors do not call the election, the county judge of Cochran  
18 County may fill the vacancies by appointment. (Acts 60th Leg.,  
19 R.S., Ch. 494, Sec. 4 (part).)

20                           Source Law

21           Sec. 4. . . . All vacancies in the office of  
22 director shall be filled for the unexpired term by  
23 appointment by the remainder of the board. However, in  
24 the event the number of directors shall be reduced at  
25 any one time to less than three for any reason, the  
26 remaining directors shall immediately call a special  
27 election to fill said vacancies and upon failure to do  
28 so such vacancies may be filled by appointment by the  
29 county judge of Cochran County. . . .

30                           Revised Law

31           Sec. 1009.058. OFFICERS. The board shall elect from among  
32 its members a president, vice president, and secretary. (Acts 60th  
33 Leg., R.S., Ch. 494, Sec. 4 (part).)

34                           Source Law

35           Sec. 4. . . . The board of directors shall  
36 organize by electing one of their number as president,  
37 one as vice president and one as secretary. . . .

38                           Revised Law

39           Sec. 1009.059. COMPENSATION. A director is entitled to  
40 compensation at a rate determined by the board. The rate may not  
41 exceed \$10 for each board meeting. (Acts 60th Leg., R.S., Ch. 494,

1 Sec. 4 (part).)

2 Source Law

3 Sec. 4. . . . Directors shall be entitled to  
4 compensation at a rate to be determined by the board  
5 provided that in no event shall the rate of  
6 compensation exceed \$10 for each meeting of the board  
7 of directors. . . .

8 Revised Law

9 Sec. 1009.060. VOTING REQUIREMENT. A concurrence of three  
10 directors is sufficient in any matter relating to district  
11 business. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

12 Source Law

13 Sec. 4. . . . Any three members of the board  
14 shall constitute a quorum, and a concurrence of three  
15 shall be sufficient in all matters pertaining to the  
16 business of the district. . . .

17 Revisor's Note

18 Section 4, Chapter 494, Acts of the 60th  
19 Legislature, Regular Session, 1967, provides that  
20 "[a]ny three members of the board shall constitute a  
21 quorum." The revised law omits that provision because  
22 it duplicates general law. Section 311.013,  
23 Government Code (Code Construction Act), applicable to  
24 the revised law, provides that a majority of a board or  
25 commission constitutes a quorum.

26 Revised Law

27 Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

28 (a) The board shall:

29 (1) keep an account of all board meetings and  
30 proceedings; and

31 (2) maintain at the district's principal office all  
32 district records and accounts, including all contracts, notices,  
33 duplicate vouchers, and duplicate receipts.

34 (b) The information described by Subsection (a) shall be  
35 open to public inspection at the district's principal office at all  
36 reasonable times. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

37 Source Law

38 Sec. 4. . . . The board shall require the

1 keeping of a true account of all its meetings and  
2 proceedings, and shall preserve all contracts,  
3 records, notices, duplicate vouchers, duplicate  
4 receipts, and all accounts and records of the district  
5 at its principal office where same shall be open to  
6 public inspection at all reasonable times. . . .

7 Revisor's Note

8 Section 4, Chapter 494, Acts of the 60th  
9 Legislature, Regular Session, 1967, requires the board  
10 to keep a "true" account of all board meetings and  
11 proceedings. The revised law omits the reference to  
12 "true" because the requirement that an account be kept  
13 presumes the requirement that the account be true. In  
14 addition, under Section 37.10, Penal Code, a person  
15 who knowingly makes a false entry in a governmental  
16 record commits the offense of tampering with a  
17 governmental record.

18 Revised Law

19 Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT  
20 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
21 district administrator.

22 (b) The board may appoint an assistant to the district  
23 administrator.

24 (c) The district administrator and any assistant  
25 administrator serves at the will of the board and is entitled to the  
26 compensation determined by the board.

27 (d) On assuming the duties of district administrator, the  
28 administrator must execute a bond payable to the district in an  
29 amount of not less than \$10,000 to be set by the board that:

30 (1) is conditioned on the administrator performing the  
31 administrator's required duties; and

32 (2) contains other conditions the board may require.  
33 (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

34 Source Law

35 Sec. 5. . . . The board of directors shall  
36 appoint a qualified person to be known as the  
37 administrator or manager of the hospital district, and  
38 may in its discretion appoint an assistant to the  
39 administrator or manager. Such administrator or  
40 manager, and assistant administrator or assistant

1 manager, if any, shall serve at the will of the board  
2 and shall receive such compensation as may be fixed by  
3 the board. The administrator or manager shall, upon  
4 assuming his duties, execute a bond payable to the  
5 hospital district in an amount to be set by the board  
6 of directors in no event less than \$10,000,  
7 conditioned that he shall perform the duties required  
8 of him and containing such other conditions as the  
9 board may require. . . .

10 Revisor's Note

11 Section 5, Chapter 494, Acts of the 60th  
12 Legislature, Regular Session, 1967, requires the board  
13 to appoint a qualified person "as the administrator or  
14 manager" of the district. Throughout this chapter,  
15 the revised law omits references to "manager" because  
16 "administrator" is synonymous with "manager" and  
17 "administrator" is the term used by the Cochran  
18 Memorial Hospital District.

19 Revised Law

20 Sec. 1009.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
21 Subject to the limitations prescribed by the board, the district  
22 administrator shall:

- 23 (1) supervise the work and activities of the district;  
24 and  
25 (2) direct the affairs of the district. (Acts 60th  
26 Leg., R.S., Ch. 494, Sec. 5 (part).)

27 Source Law

28 Sec. 5. . . . The administrator or manager  
29 shall supervise all the work and activities of the  
30 district, and shall have general direction of the  
31 affairs of the district, subject to such limitations  
32 as may be prescribed by the board. . . .

33 Revised Law

34 Sec. 1009.064. EMPLOYEES. The board may employ nurses,  
35 technicians, and other lay personnel considered necessary for the  
36 efficient operation of the district or may delegate that authority  
37 to the district administrator. (Acts 60th Leg., R.S., Ch. 494, Sec.  
38 5 (part).)

39 Source Law

40 Sec. 5. . . . The board of directors shall  
41 have the authority to employ such nurses, technicians,  
42 and other lay personnel as may be deemed necessary for

1 the efficient operation of the district, or may  
2 provide that the administrator or manager shall have  
3 the authority to employ such persons. . . .

4 Revised Law

5 Sec. 1009.065. RETIREMENT PROGRAM. The board may enter  
6 into a contract or agreement with this state or the federal  
7 government to establish or continue a retirement program for the  
8 benefit of the district's employees. (Acts 60th Leg., R.S., Ch.  
9 494, Sec. 5 (part).)

10 Source Law

11 Sec. 5. . . . The board of directors is also  
12 authorized to enter into such contracts or agreements  
13 with the State of Texas or the federal government as  
14 may be required to establish or continue a retirement  
15 program for the benefit of the district's  
16 employees. . . .

17 [Sections 1009.066-1009.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Revised Law

20 Sec. 1009.101. DISTRICT RESPONSIBILITY. The district has  
21 full responsibility for:

22 (1) operating all hospital facilities for providing  
23 medical and hospital care of indigent patients; and

24 (2) providing medical and hospital care for the  
25 district's needy and indigent residents. (Acts 60th Leg., R.S.,  
26 Ch. 494, Secs. 2 (part), 17 (part).)

27 Source Law

28 Sec. 2. . . . Such district shall assume full  
29 responsibility for providing medical and hospital care  
30 for its needy inhabitants and . . . .

31 Sec. 17. . . . the said Cochran Memorial  
32 Hospital District shall assume full responsibility for  
33 the operation of all hospital facilities for the  
34 furnishing of medical and hospital care of indigent  
35 persons.

36 Revisor's Note

37 Sections 2 and 17, Chapter 494, Acts of the 60th  
38 Legislature, Regular Session, 1967, provide that the  
39 district "shall assume" full responsibility for  
40 providing medical and hospital care for the district's  
41 needy residents and for the operation of hospital



1 facilities. The revised law substitutes "has" for the  
2 quoted language because the duty to assume the  
3 responsibility is executed.

4 Revised Law

5 Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION  
6 TAXATION AND DEBT. Cochran County or a municipality in Cochran  
7 County may not levy taxes or issue bonds or other obligations for  
8 hospital purposes or medical care. (Acts 60th Leg., R.S., Ch. 494,  
9 Sec. 17 (part).)

10 Source Law

11 Sec. 17. After creation of Cochran Memorial  
12 Hospital District, neither Cochran County, Texas, nor  
13 any city or town therein shall thereafter issue bonds  
14 or other evidences of indebtedness or levy taxes for  
15 hospital purposes or for medical care, and . . . .

16 Revisor's Note

17 (1) Section 17, Chapter 494, Acts of the 60th  
18 Legislature, Regular Session, 1967, provides that  
19 "[a]fter creation of Cochran Memorial Hospital  
20 District," Cochran County or any "city or town" in  
21 Cochran County may not issue bonds or impose taxes for  
22 hospital purposes or medical care. The revised law  
23 omits "[a]fter creation of Cochran Memorial Hospital  
24 District" as executed. The revised law substitutes  
25 "municipality" for "city or town" to conform to the  
26 terminology of the Local Government Code.

27 (2) Section 17, Chapter 494, Acts of the 60th  
28 Legislature, Regular Session, 1967, provides that any  
29 city or town in Cochran County may not issue bonds or  
30 other "evidences of indebtedness" for hospital  
31 purposes. Throughout this chapter, the revised law  
32 substitutes "obligations" for "evidences of  
33 indebtedness" because in context the terms are  
34 synonymous, and "obligations" is more commonly used.

35 Revised Law

36 Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

1 The board shall manage, control, and administer the district and  
2 the district's hospitals and hospital system. (Acts 60th Leg.,  
3 R.S., Ch. 494, Secs. 4 (part), 5 (part).)

4 Source Law

5 Sec. 4. . . . [five directors] to manage and  
6 control the district. . . .  
7 Sec. 5. The board of directors shall manage,  
8 control, and administer the hospitals and hospital  
9 system of the district. . . .

10 Revised Law

11 Sec. 1009.104. HOSPITAL SYSTEM. The district shall provide  
12 for the establishment of a hospital system by:

- 13 (1) purchasing, constructing, acquiring, repairing,  
14 or renovating buildings and equipment;
- 15 (2) equipping the buildings; and
- 16 (3) administering the buildings and equipment for  
17 hospital purposes. (Acts 60th Leg., R.S., Ch. 494, Sec. 2 (part).)

18 Source Law

19 Sec. 2. . . . thereafter the district shall  
20 provide for the establishment of a hospital system by  
21 the purchase, construction, acquisition, repair or  
22 renovation of buildings and equipment, and equipping  
23 the same and the administration thereof for hospital  
24 purposes. . . .

25 Revised Law

26 Sec. 1009.105. RULES. The board may adopt rules for the  
27 operation of the district and as required to administer this  
28 chapter. (Acts 60th Leg., R.S., Ch. 494, Secs. 5 (part), 9 (part).)

29 Source Law

30 Sec. 5. . . . The district through its board of  
31 directors shall have the power and authority . . . to  
32 promulgate rules and regulations for the operation of  
33 the district. . . .

34 Sec. 9. The board of directors of such district  
35 . . . shall be authorized . . . to make such rules and  
36 regulations as may be required to carry out the  
37 provisions of this Act.

38 Revisor's Note

39 Sections 5 and 9, Chapter 494, Acts of the 60th  
40 Legislature, Regular Session, 1967, provide that the  
41 board may "promulgate rules and regulations" to govern  
42 the district and "make such rules and regulations" as

1 may be required to carry out the act. The revised law  
2 substitutes "adopt" for "promulgate" and "make"  
3 because the terms are synonymous and the former is more  
4 commonly used. The revised law also omits the  
5 reference to "regulations" because under Section  
6 311.005(5), Government Code (Code Construction Act), a  
7 rule is defined to include a regulation. That  
8 definition applies to the revised law.

9 Revised Law

10 Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
11 board may prescribe:

12 (1) the method and manner of making purchases and  
13 expenditures by and for the district; and

14 (2) all accounting and control procedures. (Acts 60th  
15 Leg., R.S., Ch. 494, Sec. 9 (part).)

16 Source Law

17 Sec. 9. The board of directors of such district  
18 shall have the power to prescribe the method and manner  
19 of making purchases and expenditures, by and for such  
20 hospital district, and also shall be authorized to  
21 prescribe all accounting and control procedures and  
22 . . . .

23 Revised Law

24 Sec. 1009.107. RATES AND CHARGES. The board shall  
25 establish the rates and charges for:

26 (1) services;

27 (2) supplies; and

28 (3) the use of district facilities. (Acts 60th Leg.,  
29 R.S., Ch. 494, Sec. 14 (part).)

30 Source Law

31 Sec. 14. The board shall establish rates and  
32 charges for services, supplies, and the use of its  
33 facilities. . . .

34 Revised Law

35 Sec. 1009.108. HOSPITAL LEASE. The board may lease a  
36 district hospital to a qualified doctor or group of doctors. (Acts  
37 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

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Source Law

Sec. 5. . . . The directors may lease any hospital in the hospital district to a qualified doctor or group of doctors.

Revised Law

Sec. 1009.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 12.)

Source Law

Sec. 12. Cochran Memorial Hospital District created hereunder shall have the right and power of eminent domain for the purpose of acquiring by condemnation any and all property of any kind and character in fee simple, or any lesser interest therein, within the boundaries of the district necessary or convenient to the powers, rights and privileges conferred by this Act, in the manner provided by general law with respect to condemnation by counties.

Revisor's Note

(1) Section 12, Chapter 494, Acts of the 60th Legislature, Regular Session, 1967, provides that the district has the "right and power of eminent domain for the purpose of acquiring [property] by condemnation." The revised law substitutes for the quoted language "may exercise the power of eminent domain to acquire [property]" because the phrases have the same meaning, and the latter phrase is consistent with modern usage in laws relating to eminent domain.

(2) Section 12, Chapter 494, Acts of the 60th Legislature, Regular Session, 1967, provides that the district must exercise the power of eminent domain in the manner provided by "general law with respect to condemnation by counties." The revised law

1 substitutes for the quoted phrase a reference to  
2 Chapter 21, Property Code, because that is the general  
3 law governing eminent domain for governmental  
4 entities, including counties.

5 Revised Law

6 Sec. 1009.110. GIFTS AND ENDOWMENTS. The board may accept  
7 on behalf of the district a gift or endowment to be held in trust and  
8 administered by the board for a purpose and under a written  
9 direction, limitation, or provision prescribed by the donor that is  
10 not inconsistent with the proper management and objectives of the  
11 district. (Acts 60th Leg., R.S., Ch. 494, Sec. 15.)

12 Source Law

13 Sec. 15. The board of directors of the hospital  
14 district is authorized on behalf of such district to  
15 accept donations, gifts, and endowments to be held in  
16 trust and administered by the board of directors for  
17 such purposes and under such directions, limitations,  
18 and provisions as may be prescribed in writing by the  
19 donor not inconsistent with proper management and  
20 objects of the hospital district.

21 Revisor's Note

22 Section 15, Chapter 494, Acts of the 60th  
23 Legislature, Regular Session, 1967, refers to  
24 "donations" and "gifts." The revised law omits the  
25 reference to "donations" as unnecessary because  
26 "donations" is included within the meaning of "gifts."

27 Revised Law

28 Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.  
29 (a) The board may contract with a county or a municipality located  
30 outside Cochran County for the care and treatment of a sick or  
31 injured person of that county or municipality.

32 (b) The board may contract with this state or a federal  
33 agency for the treatment of a sick or injured person for whom the  
34 state or the federal government is responsible. (Acts 60th Leg.,  
35 R.S., Ch. 494, Sec. 5 (part).)

36 Source Law

37 Sec. 5. . . . Such board shall be authorized  
38 to contract with any county or incorporated  
39 municipality located outside Cochran County for the

1 care and treatment of the sick, diseased, or injured  
2 persons of any such county or municipality, and shall  
3 have the authority to contract with the State of Texas  
4 and agencies of the federal government, for treatment  
5 of sick, diseased, or injured persons for whom the  
6 State of Texas or the federal government are  
7 responsible. . . .

8 Revisor's Note

9 (1) Section 5, Chapter 494, Acts of the 60th  
10 Legislature, Regular Session, 1967, refers to an  
11 "incorporated municipality." The revised law omits  
12 the reference to "incorporated" as unnecessary because  
13 under the Local Government Code all municipalities  
14 must be incorporated.

15 (2) Section 5, Chapter 494, Acts of the 60th  
16 Legislature, Regular Session, 1967, refers to the  
17 treatment of "sick, diseased, or injured" persons.  
18 The revised law omits the references to "diseased" as  
19 unnecessary because "diseased" is included within the  
20 meaning of "sick."

21 Revised Law

22 Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
23 When an indigent patient has been admitted to a district facility,  
24 the district administrator shall have an inquiry made into the  
25 circumstances of:

26 (1) the patient; and

27 (2) the patient's relatives who are legally liable for  
28 the patient's support.

29 (b) If the district administrator determines that the  
30 patient or those relatives cannot pay all or part of the costs of  
31 the patient's care and treatment in the hospital, the amount of the  
32 costs that cannot be paid becomes a charge against the district.

33 (c) If the district administrator determines that the  
34 patient or those relatives can pay all or part of the costs of the  
35 patient's care and treatment, the patient or those relatives shall  
36 be ordered to pay the district a specified amount each week for the  
37 patient's support. The amount ordered must be proportionate to  
38 financial ability and may not exceed the actual per capita cost of

1 maintenance.

2 (d) The district administrator may collect the amount from  
3 the patient's estate, or from a relative who is legally liable for  
4 the patient's support, in the manner provided by law for the  
5 collection of expenses of the last illness of a deceased person.

6 (e) If there is a dispute as to the ability to pay, or doubt  
7 in the mind of the district administrator, the board shall hold a  
8 hearing and, after calling witnesses, shall:

9 (1) resolve the dispute or doubt; and

10 (2) issue an appropriate order.

11 (f) A party to the dispute who is not satisfied with the  
12 order may appeal to the district court. The appeal shall be by  
13 trial de novo as that term is used in an appeal from a justice court  
14 to the county court. (Acts 60th Leg., R.S., Ch. 494, Sec. 14  
15 (part).)

16 Source Law

17 Sec. 14. . . . Whenever an indigent patient  
18 has been admitted to the facilities thereof, the  
19 administrator or manager shall cause inquiry to be  
20 made as to his circumstances and those of the relatives  
21 of such patient legally liable for his support. If he  
22 finds that such patient or said relatives are able to  
23 pay for his care and treatment, in whole or in part, an  
24 order shall be made directing such patient or said  
25 relatives to pay to the hospital district for the  
26 support of such patient a specified sum per week in  
27 proportion to their financial ability, but such sum  
28 shall not exceed the actual per capita cost of  
29 maintenance. The administrator or manager shall have  
30 power and authority to collect such sums from the  
31 estate of the patient or his relatives legally liable  
32 for his support in the manner provided by law for the  
33 collection of expenses in the last illness of a  
34 deceased person. If the administrator or manager  
35 finds that such patient or said relatives are not able  
36 to pay, either in whole or in part, for his care and  
37 treatment in such hospital, same shall become a charge  
38 upon the hospital district as to the amount of the  
39 inability to pay. Should there be any dispute as to  
40 the ability to pay or doubt in the mind of the  
41 administrator or manager, the board of directors shall  
42 hear and determine same after calling witnesses, and  
43 shall make such order or orders as may be proper. A  
44 party to the dispute who is not satisfied with the  
45 order may appeal to the district court on a trial de  
46 novo as that term is used in appeals from the justice  
47 court to the county court.

48 Revised Law

49 Sec. 1009.113. AUTHORITY TO SUE AND BE SUED. The district,

1 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.  
2 494, Sec. 5 (part).)

3 Source Law

4 Sec. 5. . . . The district through its board  
5 of directors shall have the power and authority to sue  
6 and be sued and . . . .

7 [Sections 1009.114-1009.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Revised Law

10 Sec. 1009.151. BUDGET; NOTICE OF HEARING. (a) The district  
11 administrator shall prepare an annual budget for approval by the  
12 board. The budget must be for the fiscal year prescribed by Section  
13 1009.152.

14 (b) Not later than August 31 of each year, the board shall  
15 give notice of a public hearing on the proposed budget. The notice  
16 must be published in a newspaper of general circulation in Cochran  
17 County at least 10 days before the date of the hearing. (Acts 60th  
18 Leg., R.S., Ch. 494, Secs. 6 (part), 16.)

19 Source Law

20 Sec. 6. . . . In addition the administrator or  
21 manager shall prepare an annual budget for approval by  
22 the board of directors of said district. . . .

23 Sec. 16. The board of directors of said hospital  
24 district shall cause to be prepared an annual budget  
25 based upon the fiscal year of the hospital district in  
26 accordance with the provisions of Section 6 hereof and  
27 prior to September 1 of each year shall give notice of  
28 the public hearing on the proposed budget. Such notice  
29 shall be published in a newspaper of general  
30 circulation in the county at least 10 days prior to the  
31 date set for the hearing.

32 Revised Law

33 Sec. 1009.152. FISCAL YEAR. The district operates on a  
34 fiscal year that begins on October 1 and ends on September 30.  
35 (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

36 Source Law

37 Sec. 6. The district shall be operated on a  
38 fiscal year commencing on October 1 of each year and  
39 ending on September 30 of the succeeding year  
40 and . . . .

41 Revised Law

42 Sec. 1009.153. ANNUAL AUDIT. (a) The district annually



1 shall have an audit made of the district's financial condition.

2 (b) The audit shall be open to inspection at all times at the  
3 district's principal office. (Acts 60th Leg., Ch. 494, R.S., Sec. 6  
4 (part).)

5 Source Law

6 Sec. 6. . . . it shall cause an audit to be made  
7 of the financial condition of said district which  
8 shall at all times be open to inspection at the  
9 principal office of the district. . . .

10 Revised Law

11 Sec. 1009.154. FINANCIAL REPORT. As soon as practicable  
12 after the close of each fiscal year, the district administrator  
13 shall prepare for the board:

14 (1) a complete sworn statement of all district money;  
15 and

16 (2) a complete account of the disbursement of that  
17 money. (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

18 Source Law

19 Sec. 6. . . . As soon as practicable after the  
20 close of each fiscal year, the administrator or  
21 manager shall prepare for the board a full sworn  
22 statement of all moneys belonging to the district and a  
23 full account of the disbursements of same.

24 Revised Law

25 Sec. 1009.155. DEPOSITORY. (a) The board shall select one  
26 or more banks in Cochran County to serve as a depository for  
27 district money.

28 (b) All district money shall be immediately deposited on  
29 receipt with a depository bank, except that sufficient money must  
30 be remitted to the appropriate bank to pay the principal of and  
31 interest on the district's outstanding bonds or other obligations  
32 on or before the maturity date of the principal and interest.

33 (c) To the extent that money in a depository bank is not  
34 insured by the Federal Deposit Insurance Corporation, the money  
35 must be secured in the manner provided by law for the security of  
36 county funds.

37 (d) Membership on the district's board of an officer or  
38 director of a bank does not disqualify the bank from being selected

1 as a depository. (Acts 60th Leg., R.S., Ch. 494, Sec. 10.)

2 Source Law

3 Sec. 10. The board of directors of the district  
4 shall name one or more banks within Cochran County to  
5 serve as depository for the funds of the district. All  
6 such funds shall, as derived and collected, be  
7 immediately deposited with such depository bank or  
8 banks, except that sufficient funds shall be remitted  
9 to the bank or banks for the payment of principal of  
10 and interest on the outstanding bonds of the district  
11 or other obligations assumed by it and in time that  
12 such money may be received by said bank or banks of  
13 payment on or prior to the date of maturity of such  
14 principal and interest so to be paid. To the extent  
15 that funds in the depository bank or banks are not  
16 insured by the Federal Deposit Insurance Corporation,  
17 they shall be secured in the manner provided by law for  
18 security of county funds. Membership on the board of  
19 directors of an officer or director of a bank shall not  
20 disqualify such bank from being designated as  
21 depository.

22 Revisor's Note

23 Section 10, Chapter 494, Acts of the 60th  
24 Legislature, Regular Session, 1967, refers to money  
25 deposited "as derived and collected." The revised law  
26 substitutes "on receipt" for the quoted language  
27 because the terms are synonymous, and the former is  
28 more commonly used.

29 [Sections 1009.156-1009.200 reserved for expansion]

30 SUBCHAPTER E. BONDS

31 Revised Law

32 Sec. 1009.201. GENERAL OBLIGATION BONDS. The board may  
33 issue and sell general obligation bonds in the name and on the faith  
34 and credit of the district to purchase, construct, acquire, repair,  
35 or renovate buildings and improvements and to equip the buildings  
36 and improvements for a hospital and the hospital system. (Acts 60th  
37 Leg., R.S., Ch. 494, Sec. 7 (part).)

38 Source Law

39 Sec. 7. The board of directors of the hospital  
40 district shall have the power and authority to issue  
41 and sell its bonds in the name and upon the faith and  
42 credit of such hospital district, for the purchase,  
43 construction, acquisition, repair or renovation of  
44 buildings and improvements, and equipping the same for  
45 hospitals and the hospital system, as determined by  
46 the board, and for any or all of such purposes. . . .

1 Revised Law

2 Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
3 the time general obligation bonds are issued by the district under  
4 Section 1009.201, the board shall impose an ad valorem tax in an  
5 amount sufficient to:

6 (1) create an interest and sinking fund; and

7 (2) pay the principal of and interest on the bonds as  
8 the bonds mature.

9 (b) The tax required by this section together with any other  
10 tax the district imposes in any year may not exceed 75 cents on each  
11 \$100 assessed value of all taxable property in the district. (Acts  
12 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

13 Source Law

14 Sec. 7. . . . At the time of the issuance of any  
15 such bonds a tax shall be levied by the board  
16 sufficient to create an interest and sinking fund and  
17 to pay the interest on and principal of said bonds as  
18 same mature, providing such tax together with any  
19 other taxes levied for said district shall not exceed  
20 75 cents on each \$100 valuation of taxable property in  
21 any one year. . . .

22 Revisor's Note

23 Section 7, Chapter 494, Acts of the 60th  
24 Legislature, Regular Session, 1967, requires the  
25 district to levy a tax sufficient to pay the principal  
26 of and interest on bonds. Other provisions revised in  
27 this chapter refer to the authority to assess and  
28 collect taxes. Throughout this chapter, the revised  
29 law substitutes "impose" for "levy," "assess," and  
30 "collect" because "impose" is the term generally used  
31 in Title 1, Tax Code, and includes the levy,  
32 assessment, and collection of taxes. In addition, the  
33 revised law specifies that the tax is an "ad valorem"  
34 tax because it is clear from the source law that the  
35 tax is a property tax, and "ad valorem" is the term  
36 most commonly used in relation to a property tax.

37 Revised Law

38 Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION. (a) The

1 district may issue general obligation bonds only if the bonds are  
2 authorized by a majority of the voters voting in an election held  
3 for that purpose.

4 (b) The board shall call the election. The election must be  
5 held in accordance with Chapter 1251, Government Code.

6 (c) The bond election order must specify:

7 (1) the date of the election;

8 (2) the amount of bonds to be authorized;

9 (3) the maximum maturity of the bonds;

10 (4) the maximum interest rate of the bonds;

11 (5) the location of the polling places; and

12 (6) the presiding election officers. (Acts 60th Leg.,  
13 R.S., Ch. 494, Sec. 7 (part).)

14 Source Law

15 Sec. 7. . . . No bonds shall be issued by such  
16 hospital district . . . until authorized by a  
17 majority of the qualified electors of the district,  
18 who own taxable property therein and who have duly  
19 rendered the same for taxation, voting at an election  
20 called for such purpose. Such election shall be called  
21 by the board of directors and held in accordance with  
22 the provisions of Chapter 1, Title 22, Revised Civil  
23 Statutes of Texas, 1925, as amended, and except as  
24 therein otherwise provided, shall be conducted in  
25 accordance with the general laws of Texas pertaining  
26 to elections. . . . The bond election order shall  
27 specify the date of election, the amount of bonds to be  
28 authorized, the maximum maturity thereof, the maximum  
29 rate of interest they are to bear, the place or places  
30 where the election shall be held, and the presiding  
31 officers thereof.

32 . . .

33 Revisor's Note

34 (1) Section 7, Chapter 494, Acts of the 60th  
35 Legislature, Regular Session, 1967, refers to a  
36 majority vote of the "qualified electors of the  
37 district." The revised law omits the quoted language  
38 as unnecessary in this context because Chapter 11,  
39 Election Code, governs eligibility to vote in an  
40 election in this state and allows only "qualified"  
41 voters who are residents of the territory covered by  
42 the election to vote in an election. The revised law  
43 substitutes "voter" for "elector" because the former

1 is the term used in the Election Code.

2 (2) Section 7, Chapter 494, Acts of the 60th  
3 Legislature, Regular Session, 1967, refers to voters  
4 who "own taxable property therein and who have duly  
5 rendered the same for taxation." The revised law omits  
6 the quoted language because in Hill v. Stone, 421 U.S.  
7 289, 95 S. Ct. 1637 (1975), the United States Supreme  
8 Court determined that property ownership as a  
9 qualification for voting is an unconstitutional denial  
10 of equal protection.

11 (3) Section 7, Acts of the 60th Legislature,  
12 Regular Session, 1967, refers to an election held as  
13 provided by "Chapter 1, Title 22, Revised Civil  
14 Statutes of Texas, 1925, as amended." The election  
15 provisions of Chapter 1, Title 22, Revised Statutes,  
16 are revised as Chapter 1251, Government Code, and the  
17 revised law is drafted accordingly. The revised law  
18 omits the references to "as amended" throughout this  
19 chapter because under Section 311.027, Government Code  
20 (Code Construction Act), applicable to the revised  
21 law, a reference to a statute applies to all  
22 reenactments, revisions, or amendments of that statute  
23 unless expressly provided otherwise.

24 (4) Section 7, Chapter 494, Acts of the 60th  
25 Legislature, Regular Session, 1967, provides that  
26 "except as therein otherwise provided, [an election  
27 under Section 7] shall be conducted in accordance with  
28 the general laws of Texas pertaining to elections."  
29 The revised law omits the quoted phrase as unnecessary  
30 because Section 1.002, Election Code, provides that  
31 the Election Code applies to all elections held in this  
32 state. An exception to the application of the Election  
33 Code in Chapter 1251, Government Code (the revision of  
34 the election provisions of Chapter 1, Title 22,

1 Revised Statutes), would apply by its own terms.

2 (5) Section 7, Chapter 494, Acts of the 60th  
3 Legislature, Regular Session, 1967, requires the  
4 district to make provisions for defraying the costs of  
5 elections. The revised law omits that provision as  
6 unnecessary because Section 1.014, Election Code,  
7 applicable to the district under Section 1.002 of that  
8 code, requires the district to pay the costs of an  
9 election. The omitted law reads:

10 Sec. 7. . . . The district shall  
11 make provisions for defraying the costs of  
12 all elections called and held under the  
13 provisions of this Act. . . .

14 Revised Law

15 Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
16 The board president shall execute the general obligation bonds in  
17 the district's name.

18 (b) The board secretary shall attest the bonds as provided  
19 by Chapter 618, Government Code. (Acts 60th Leg., R.S., Ch. 494,  
20 Sec. 7 (part).)

21 Source Law

22 Sec. 7. . . . Such bonds shall be executed in  
23 the name of the hospital district and in its behalf by  
24 the president of the board and attested by the  
25 secretary as provided by Chapter 204, Acts of the 57th  
26 Legislature, Regular Session, 1961 (Article 717j-1,  
27 Vernon's Texas Civil Statutes), and . . . .

28 Revisor's Note

29 Section 7, Chapter 494, Acts of the 60th  
30 Legislature, Regular Session, 1967, provides that the  
31 secretary shall attest the bonds as provided by  
32 "Chapter 204, Acts of the 57th Legislature, Regular  
33 Session, 1961 (Article 717j-1, Vernon's Texas Civil  
34 Statutes)." Chapter 204 was codified in 1999 as  
35 Chapter 618, Government Code. The revised law is  
36 drafted accordingly.

37 Revised Law

38 Sec. 1009.205. REFUNDING BONDS. (a) The board may, without

1 an election, issue refunding bonds to refund outstanding general  
2 obligation bonds issued or assumed by the district.

3 (b) A refunding bond may be:

4 (1) sold, with the proceeds of the refunding bond  
5 applied to the payment of the bonds to be refunded; or

6 (2) exchanged in whole or in part for not less than a  
7 like principal amount of the bonds to be refunded.

8 (c) If a refunding bond is sold, the bond must be issued and  
9 the payments must be made in the manner provided by Subchapters B  
10 and C, Chapter 1207, Government Code. (Acts 60th Leg., R.S., Ch.  
11 494, Sec. 7 (part).)

12 Source Law

13 Sec. 7. . . . [No bonds shall be issued by such  
14 hospital district] except refunding bonds, [until  
15 authorized by a majority of the qualified electors of  
16 the district] . . . .

17 The bonds of the district may be issued for the  
18 purpose of refunding and paying off any bonds issued or  
19 assumed by such district. Such refunding bonds may be  
20 sold and the proceeds thereof applied to the payment of  
21 outstanding bonds, or may be exchanged in whole or in  
22 part for not less than a like principal amount of such  
23 outstanding bonds, . . . provided further that, if  
24 such refunding bonds are to be sold and the proceeds  
25 thereof applied to the payment of any such outstanding  
26 bonds or other refundable indebtedness, same shall be  
27 issued and payments made in the manner specified by  
28 Chapter 503, Acts of the 54th Legislature, 1955, as  
29 amended (Article 707k, Vernon's Texas Civil Statutes).

30 Revisor's Note

31 (1) Section 7, Chapter 494, Acts of the 60th  
32 Legislature, Regular Session, 1967, provides that  
33 refunding bonds must bear interest at the same or a  
34 lower rate than the bonds refunded unless a savings is  
35 shown. The revised law omits that provision as  
36 impliedly repealed by Section 2(a), Chapter 3, Acts of  
37 the 61st Legislature, Regular Session, 1969 (Article  
38 717k-2, Vernon's Texas Civil Statutes), which was  
39 revised in 1999 as Section 1204.006(a), Government  
40 Code. Section 1204.006(a) permits a public agency to  
41 issue bonds at a net effective interest rate not to  
42 exceed 15 percent. Section 1204.006(a) applies to

1 bonds issued under this chapter by application of  
2 Section 1204.001, Government Code. The omitted law  
3 reads:

4 Sec. 7. . . . provided that, if  
5 refunding bonds are to be exchanged for a  
6 like amount of said outstanding bonds, such  
7 refunding bonds shall bear interest at the  
8 same or lower rate than borne by the bonds  
9 refunded, unless it is shown mathematically  
10 that a saving will result in the total  
11 amount of interest to be paid on said  
12 refunding bonds; and . . . .

13 (2) Section 7, Chapter 494, Acts of the 60th  
14 Legislature, Regular Session, 1967, provides that  
15 refunding bonds shall be issued and payments made in  
16 the manner specified by "Chapter 503, Acts of the 54th  
17 Legislature, 1955, as amended (Article 707k, Vernon's  
18 Texas Civil Statutes)." The source law incorrectly  
19 cites Article 707k; Chapter 503 was designated as  
20 Article 717k, not Article 707k. The applicable  
21 provisions of Article 717k were revised in 1999 as  
22 Subchapters B and C, Chapter 1207, Government Code,  
23 and the revised law is drafted accordingly.

24 Revised Law

25 Sec. 1009.206. BONDS EXEMPT FROM TAXATION. The following  
26 are exempt from taxation by this state or a political subdivision of  
27 this state:

- 28 (1) bonds issued by the district;  
29 (2) the transfer of the bonds; and  
30 (3) the bond revenues and profits made in the sale of  
31 the bonds. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

32 Source Law

33 Sec. 8. . . . any bonds issued by it and their  
34 transfer and the revenues therefrom, including any  
35 profits made in the sale thereof, shall at all times be  
36 free from taxation by the State or any municipality or  
37 political subdivision thereof.

38 Revisor's Note

39 Section 8, Chapter 494, Acts of the 60th  
40 Legislature, Regular Session, 1967, refers to this



1 state or "any municipality or political subdivision  
2 thereof." The revised law omits the reference to  
3 "municipality" because that term is included within  
4 the meaning of "political subdivision thereof."

5 Revisor's Note  
6 (End of Subchapter)

7 (1) Section 7, Chapter 494, Acts of the 60th  
8 Legislature, Regular Session, 1967, provides that  
9 bonds are subject to the law governing counties that  
10 relates to bond approval by the attorney general and  
11 registration of the bonds by the comptroller. Section  
12 7 also provides that after approval and registration  
13 the bonds are incontestable. The revised law omits  
14 those provisions as superseded by Chapter 1202,  
15 Government Code (enacted as Article 3, Chapter 53,  
16 Acts of the 70th Legislature, 2nd Called Session,  
17 1987). Section 1202.003(a), Government Code, requires  
18 bonds to be submitted to the attorney general. Section  
19 1202.003(b), Government Code, provides for approval of  
20 the bonds by the attorney general and requires the  
21 attorney general to submit the approved bonds to the  
22 comptroller for registration. Section 1202.005,  
23 Government Code, requires registration of the bonds by  
24 the comptroller. Section 1202.006, Government Code,  
25 provides that after approval and registration the  
26 bonds are incontestable and binding obligations.  
27 Chapter 1202, Government Code, applies to bonds issued  
28 under this chapter by application of Section 1202.001,  
29 Government Code. The omitted law reads:

30 Sec. 7. . . . [Such bonds] . . .  
31 shall be subject to the same requirements in  
32 the matter of the approval by the Attorney  
33 General of Texas and registration by the  
34 Comptroller of Public Accounts of the State  
35 of Texas as are by law provided for approval  
36 and registration of bonds issued by  
37 counties. After approval of any such bonds  
38 by the attorney general and registration by  
39 the comptroller, said bonds shall be  
40 incontestable. . . .

1           (2) Section 11, Chapter 494, Acts of the 60th  
2           Legislature, Regular Session, 1967, provides that  
3           bonds are authorized investments for certain entities.  
4           The revised law omits that provision as unnecessary.  
5           As to several of the entities listed, Section 11 has  
6           been superseded and impliedly repealed. Investments  
7           in securities by banks are regulated by Section  
8           34.101, Finance Code (enacted in 1995 as Section  
9           5.101, Texas Banking Act (Article 342-5.101, Vernon's  
10          Texas Civil Statutes)). Investments in securities by  
11          savings banks are regulated by Section 93.001(c)(10),  
12          Finance Code (enacted in 1993 as Section 7.15(10),  
13          Texas Savings Bank Act (Article 489e, Vernon's Texas  
14          Civil Statutes)). Investments in securities by trust  
15          companies are regulated by Section 184.101, Finance  
16          Code (enacted in 1997 as Section 5.101, Texas Trust  
17          Company Act (Article 342a-5.101, Vernon's Texas Civil  
18          Statutes)). Investments in securities by savings and  
19          loan associations are regulated by Sections 63.002 and  
20          64.001, Finance Code. As to the remaining entities  
21          listed, Section 11 is superseded by Section 1201.041,  
22          Government Code, enacted as Section 9, Bond Procedures  
23          Act of 1981 (Article 717k-6, Vernon's Texas Civil  
24          Statutes). The revised law omits the reference to  
25          sinking funds of this state because it has been  
26          superseded by Section 404.024, Government Code  
27          (enacted in 1985 as Section 2.014, Treasury Act  
28          (Article 4393-1, Vernon's Texas Civil Statutes)),  
29          which governs the investment of state funds. Section  
30          404.024(b)(10), Government Code, authorizes the  
31          investment of state funds in obligations of political  
32          subdivisions, including hospital districts. The  
33          omitted law reads:

34                    Sec. 11. All bonds of the district  
35                    shall be and are hereby declared to be legal

1 and authorized investments of banks,  
2 savings banks, trust companies, building  
3 and loan associations, savings and loan  
4 associations, insurance companies,  
5 fiduciaries, trustees, and sinking funds of  
6 cities, towns, villages, counties, school  
7 districts, or other political subdivisions  
8 of the State of Texas, and for all public  
9 funds of the State of Texas or its agencies,  
10 including the State Permanent School Fund.  
11 . . .

12 (3) Section 11, Chapter 494, Acts of the 60th  
13 Legislature, Regular Session, 1967, provides that  
14 bonds issued under that act may secure deposits of  
15 public funds of this state. The revised law omits that  
16 provision as impliedly repealed by Section 404.0221,  
17 Government Code (enacted in 1995), which lists  
18 eligible collateral for deposits of state funds by the  
19 comptroller, and by Chapter 2257, Government Code  
20 (enacted in 1989 as Article 2529d, Vernon's Texas Civil  
21 Statutes), which governs eligible collateral for  
22 deposits of funds of other public agencies. The  
23 omitted law reads:

24 Sec. 11. . . . Such bonds shall be  
25 eligible to secure deposits of public funds  
26 of the State of Texas; and such bonds shall  
27 be lawful and sufficient security for said  
28 deposits to the extent of their value when  
29 accompanied by all unmatured coupons  
30 appurtenant thereto.

31 [Sections 1009.207-1009.250 reserved for expansion]

32 SUBCHAPTER F. TAXES

33 Revised Law

34 Sec. 1009.251. IMPOSITION OF AD VALOREM TAX. The board  
35 shall impose a tax on all property in the district subject to  
36 district taxation in the manner provided by law for county taxes.  
37 (Acts 60th Leg., R.S., Ch. 494, Sec. 13 (part).)

38 Source Law

39 Sec. 13. District taxes shall be assessed and  
40 collected in the same manner as provided by law with  
41 relation to county taxes, upon all taxable property  
42 within such district subject to hospital district  
43 taxation. . . .

44 Revised Law

45 Sec. 1009.252. TAX ASSESSOR-COLLECTOR. (a) The tax

1 assessor-collector of Cochran County shall collect taxes imposed by  
2 the district and promptly transfer the money collected to a  
3 district depository.

4 (b) The assessor-collector shall receive the compensation  
5 provided for by contract with the district, except the compensation  
6 may not exceed the amount allowed for assessment and collection of  
7 county taxes. (Acts 60th Leg., R.S., Ch. 494, Sec. 13 (part).)

8 Source Law

9 Sec. 13. . . . The tax assessor-collector of  
10 Cochran County shall be charged and required to  
11 accomplish the assessment and collection of all taxes  
12 levied by and on behalf of the district and to promptly  
13 pay over the same to the district depository. For his  
14 services the county tax assessor-collector shall be  
15 allowed such compensation as may be provided for by  
16 contract with the district, but not to exceed the  
17 amount allowed for assessment and collection of county  
18 taxes. . . .

19 Revisor's Note

20 (1) Section 13, Chapter 494, Acts of the 60th  
21 Legislature, Regular Session, 1967, provides that the  
22 bond of the county assessor-collector is security for  
23 the performance of district duties unless the board  
24 determines that an additional bond is necessary. The  
25 revised law omits that provision as unnecessary.  
26 Section 6.28, Tax Code, requires the county  
27 assessor-collector to post a bond. Section 6.29(b),  
28 Tax Code, authorizes a taxing unit for which the county  
29 assessor-collector collects a tax to require that  
30 assessor-collector to post an additional bond. The  
31 omitted law reads:

32 Sec. 13. . . . The bond of the  
33 county tax assessor-collector shall stand  
34 as security for the proper performance of  
35 his duties as assessor-collector of the  
36 district or, if in the judgment of the board  
37 of directors of the district it is  
38 necessary, an additional bond payable to  
39 the district may be required. . . .

40 (2) Section 13, Chapter 494, Acts of the 60th  
41 Legislature, Regular Session, 1967, provides that the  
42 county assessor-collector may act in accordance with

1 state law relating to the assessment, collection, and  
2 enforcement of state and county taxes. The revised law  
3 omits that provision as unnecessary. The state law  
4 relating to the assessment, collection, and  
5 enforcement of all ad valorem taxes is Title 1, Tax  
6 Code. Section 1.02, Tax Code, requires all taxing  
7 units of government to administer the assessment,  
8 collection, and enforcement of taxes in conformity  
9 with that title. The omitted law reads:

10           Sec. 13. . . . In all matters  
11           pertaining to the assessment, collection,  
12           and enforcement of taxes for the district,  
13           the county tax assessor-collector shall be  
14           authorized to act in all respects according  
15           to the laws of the State of Texas relating  
16           to state and county taxes.

17                           Revisor's Note  
18                           (End of Chapter)

19           (1) Section 2, Chapter 494, Acts of the 60th  
20           Legislature, Regular Session, 1967, provides for the  
21           transfer of land, buildings, improvements, and  
22           equipment to the hospital district and for the  
23           assumption of debt by the district. The revised law  
24           omits those provisions as executed. The omitted law  
25           reads:

26           Sec. 2. The district herein  
27           authorized to be created shall take over and  
28           there shall be transferred to it title to  
29           all lands, buildings, improvements, and  
30           equipment in anywise pertaining to the  
31           hospitals or hospital systems owned by  
32           Cochran County and any city or town within  
33           such county, and . . . . [Such district]  
34           . . . shall assume the outstanding  
35           indebtedness which shall have been incurred  
36           by any city or town or by Cochran County for  
37           hospital purposes prior to the creation of  
38           said district.

39           (2) Section 20, Chapter 494, Acts of the 60th  
40           Legislature, Regular Session, 1967, provides that  
41           public notice of enactment of the statute was provided  
42           in a manner that satisfies the requirements of the  
43           Texas Constitution. The revised law omits that  
44           provision as executed. The omitted law reads:

1                   Sec. 20. Proof of publication of the  
 2 notice required in the enactment hereof  
 3 under the provisions of Article IX, Section  
 4 9, of the Constitution of the State of Texas  
 5 has been made in the manner and form  
 6 provided by law pertaining to the enactment  
 7 of local and special laws and such notice is  
 8 hereby found and declared proper and  
 9 sufficient to satisfy such requirement.

10                   CHAPTER 3503. RED RIVER REDEVELOPMENT AUTHORITY

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23                   [Sections 3503.010-3503.050 reserved for expansion]

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37                   [Sections 3503.061-3503.100 reserved for expansion]

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10                   [Sections 3503.108-3503.150 reserved for expansion]

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29                   CHAPTER 3503. RED RIVER REDEVELOPMENT AUTHORITY

30                                   SUBCHAPTER A. GENERAL PROVISIONS

31   Revised Law

32                   Sec. 3503.001. DEFINITIONS. In this chapter:

33                                   (1) "Authority" means the Red River Redevelopment

34   Authority.

1 (2) "Board" means the authority's board of directors.

2 (3) "Property" means land, improvements, and personal  
3 property described in Section 3503.004. (Loc. Gov. Code, Secs.  
4 396.061(1), (2), (5).)

5 Source Law

6 Sec. 396.061. DEFINITIONS. In this subchapter:

7 (1) "Authority" means the Red River  
8 Redevelopment Authority.

9 (2) "Board" means the board of directors  
10 of the authority.

11 (5) "Property" means land, improvements,  
12 and personal property described in Section 396.0621.

13 Revisor's Note

14 Section 396.061, Local Government Code, defines  
15 "county" as Bowie County. The revised law omits the  
16 definition for ease of understanding. Throughout this  
17 chapter, the revised law instead refers to Bowie  
18 County, unless the context clearly shows that the term  
19 "county" refers generally to any county. The omitted  
20 law reads:

21 (3) "County" means Bowie  
22 County.

23 Revised Law

24 Sec. 3503.002. NATURE OF AUTHORITY. (a) The authority is a  
25 governmental agency and a political subdivision of this state.

26 (b) The operations of the authority are considered to be  
27 essential governmental functions and are not proprietary functions  
28 for any purpose, including the application of Chapter 101, Civil  
29 Practice and Remedies Code. (Loc. Gov. Code, Secs. 396.062(b),  
30 (c).)

31 Source Law

32 (b) The authority is a governmental agency, a  
33 body politic and corporate, and a political  
34 subdivision of this state.

35 (c) For all purposes, including the application  
36 of Chapter 101, Civil Practice and Remedies Code, the  
37 authority is a unit of government and the operations of  
38 the authority are considered to be essential  
39 governmental functions and not proprietary functions.

40 Revisor's Note

41 (1) Section 396.062(a), Local Government Code,



1 validated the creation, establishment, and  
2 organization of the authority. The revised law omits  
3 the provision because it served its purpose on the day  
4 it took effect and is executed law. Section  
5 311.031(a)(2), Government Code (Code Construction  
6 Act), applicable to the revised law, provides that the  
7 repeal of a statute does not affect any validation  
8 previously made under the statute. The omitted law  
9 reads:

10                     Sec. 396.062. ESTABLISHMENT.             (a)  
11             The creation, establishment, and  
12             organization of the authority are  
13             validated, ratified, approved, and  
14             confirmed. . . .

15             (2) Section 396.062, Local Government Code,  
16             refers to the authority as "a governmental agency, a  
17             body politic and corporate." The revised law omits  
18             "body politic and corporate" because the meaning of  
19             those terms is included in the meaning of a  
20             "governmental agency" or "political subdivision of  
21             this state."

22             (3) Section 396.062(c), Local Government Code,  
23             provides that the authority is a "unit of government"  
24             under Chapter 101, Civil Practice and Remedies Code.  
25             The revised law omits the quoted language because  
26             Section 101.001(3)(B), Civil Practice and Remedies  
27             Code, defines a governmental unit under that chapter  
28             to mean a political subdivision of this state. The  
29             authority is a political subdivision of this state.

#### 30                     Revised Law

31             Sec. 3503.003. PURPOSES OF AUTHORITY. (a) The authority is  
32             created to:

33                     (1) accept title on approval by, and in coordination  
34             with, the governor to all or a portion of the property on, adjacent  
35             to, or related to the property described by Section 3503.004 from  
36             the United States;

1           (2) promote the location and development of new  
2 businesses, industries, and commercial activities on or related to  
3 the property;

4           (3) undertake a project the board considers necessary  
5 or incidental to the industrial, commercial, or business  
6 development, redevelopment, maintenance, and expansion of new or  
7 existing businesses on and for the property described by Section  
8 3503.004, including the acquisition, construction, operation,  
9 maintenance, repair, rehabilitation, replacement, improvement,  
10 extension, expansion, or enhancement of:

11                   (A) roads, bridges, and rights-of-way;

12                   (B) housing;

13                   (C) property;

14                   (D) police, fire, medical, cultural,  
15 educational, and research services, equipment, institutions, and  
16 resources;

17                   (E) other community support services;

18                   (F) flood control, water, wastewater treatment,  
19 natural gas, electricity, solid waste disposal, steam generation,  
20 communications, and all other utility facilities and services;

21                   (G) other infrastructure improvements; and

22                   (H) any other services or facilities acquired by  
23 the authority from the United States; and

24           (4) exercise the powers granted to a conservation and  
25 reclamation district under Section 59, Article XVI, Texas  
26 Constitution.

27           (b) The property described by Subsection (a)(1) consists of  
28 any kind of property, whether real, personal, or mixed, and any  
29 rights, whether tangible or intangible, assets, benefits, or  
30 improvements related to the existence, development, operation, or  
31 maintenance of the property, of the authority.

32           (c) The creation of the authority is necessary to promote,  
33 develop, encourage, and maintain employment, commerce, economic  
34 development, and the public welfare, and to conserve the natural

1 resources of this state, and is essential to accomplish the  
2 purposes of Sections 49-d, 52, and 52-a, Article III, and Section  
3 59, Article XVI, Texas Constitution, in an area previously  
4 established and developed by the United States government for  
5 military support purposes that will no longer be similarly  
6 maintained for those purposes by the federal government. (Loc.  
7 Gov. Code, Secs. 396.064, 396.0641.)

8 Source Law

9 Sec. 396.064. PURPOSE. (a) The authority is  
10 created to:

11 (1) accept title on approval by and in  
12 coordination with the governor from the United States  
13 to all or any portion of the property within, adjacent  
14 to, or related to the property described in Section  
15 396.0621. The property shall consist of any property,  
16 whether real, personal, or mixed, and any rights,  
17 whether tangible or intangible, assets, benefits, or  
18 improvements related to the existence, development,  
19 operation, or maintenance of the property, now or in  
20 the future, of the authority;

21 (2) promote the location and development  
22 of new businesses, industries, and commercial  
23 activities within or related to the property; and

24 (3) undertake a project determined by the  
25 board to be necessary or incidental to the industrial,  
26 commercial, or business development, redevelopment,  
27 maintenance, and expansion of new or existing  
28 businesses on and for the property described in  
29 Section 396.0621, including the acquisition,  
30 construction, operation, maintenance, repair,  
31 rehabilitation, replacement, improvement, extension,  
32 expansion, and enhancement of any of that property,  
33 including:

34 (A) roads, bridges, and  
35 rights-of-way;

36 (B) housing;

37 (C) property;

38 (D) police, fire, medical, cultural,  
39 educational, and research services, equipment,  
40 institutions, and resources;

41 (E) other community support  
42 services;

43 (F) flood control, water, wastewater  
44 treatment, natural gas, electricity, solid waste  
45 disposal, steam generation, communications, and other  
46 utility facilities and services;

47 (G) other infrastructure  
48 improvements; and

49 (H) any other services or facilities  
50 acquired by the authority from the United States of  
51 America.

52 (b) The creation of the authority is necessary  
53 to promote, develop, encourage, and maintain  
54 employment, commerce, economic development, and the  
55 public welfare and to conserve the natural resources  
56 of the state and is essential to accomplish the  
57 purposes of Sections 49-d, 52, and 52-a, Article III,  
58 and Section 59, Article XVI, Texas Constitution, in an  
59 area previously established and developed by the  
60 United States government for military support purposes

1 and no longer to be similarly maintained for those  
2 purposes by the federal government.

3 Sec. 396.0641. ADDITIONAL PURPOSE. The  
4 authority is created to exercise the powers granted to  
5 a conservation and reclamation district under Section  
6 59, Article XVI, Texas Constitution.

7 Revisor's Note

8 Section 396.064(a)(1), Local Government Code,  
9 refers to improvements being made to property "now or  
10 in the future." The revised law omits the quoted  
11 language because statutes are construed when read and  
12 because under Section 311.022, Government Code (Code  
13 Construction Act), a statute is presumed to be  
14 prospective in its operation unless expressly made  
15 retrospective.

16 Revised Law

17 Sec. 3503.004. AUTHORITY TERRITORY. (a) The authority is  
18 composed of the territory described by Section 8A, Chapter 831,  
19 Acts of the 75th Legislature, Regular Session, 1997, as added by  
20 Section 5, Chapter 1312, Acts of the 76th Legislature, Regular  
21 Session, 1999, as that territory may have been modified under this  
22 chapter or other law.

23 (b) The boundaries of the authority are the same as the  
24 boundaries of the real property described by Subsection (a). (Loc.  
25 Gov. Code, Secs. 396.062(a) (part), 396.0621.)

26 Source Law

27 Sec. 396.062. ESTABLISHMENT. (a) . . . The  
28 boundaries of the authority are the same as the  
29 boundaries of the real property described in Section  
30 396.0621. . . .

31 Sec. 396.0621. AUTHORITY TERRITORY. The  
32 authority is composed of that territory described by  
33 Section 8A, Chapter 831, Acts of the 75th Legislature,  
34 Regular Session, 1997, as added by Section 5, Chapter  
35 1312, Acts of the 76th Legislature, Regular Session,  
36 1999, and as that territory may have been modified  
37 under this subchapter or other law.

38 Revisor's Note

39 The revision of the law governing the Red River  
40 Redevelopment Authority does not revise the statutory  
41 language describing the territory of the district to  
42 avoid the lengthy recitation of the description and

1 because that description may not be accurate at the  
2 time of the revision or of a later reading. For the  
3 reader's convenience, the revised law adds references  
4 to the statutory description of the district's  
5 territory.

6 Revised Law

7 Sec. 3503.005. EXPANSION OF TERRITORY. The authority's  
8 territory may be expanded as additional:

9 (1) real property is conveyed to the authority by the  
10 United States; or

11 (2) counties or municipalities approve annexations.  
12 (Loc. Gov. Code, Secs. 396.062(a) (part), 396.0622.)

13 Source Law

14 Sec. 396.062. ESTABLISHMENT. (a) . . . The  
15 boundaries of the authority may be expanded from time  
16 to time as additional real property, if any, is  
17 conveyed to the authority by the United States of  
18 America.

19 Sec. 396.0622. EXPANSION OF AUTHORITY  
20 TERRITORY. The authority boundaries may be expanded  
21 from time to time as additional real property, if any,  
22 is conveyed to the authority by the United States or as  
23 additional counties or municipalities approve  
24 annexations.

25 Revisor's Note

26 Section 396.0622, Local Government Code,  
27 provides that the authority territory may be expanded  
28 "from time to time." The revised law omits the quoted  
29 language because the power to take an action includes  
30 the power to act "from time to time."

31 Revised Law

32 Sec. 3503.006. RELATION TO OTHER LAW. This chapter does not  
33 limit the power of the authority or other person, including another  
34 governmental entity, to use other law not in conflict with this  
35 chapter to the extent convenient or necessary to carry out a power,  
36 express or implied, granted by this chapter. (Loc. Gov. Code, Sec.  
37 396.077(c).)

38 Source Law

39 (c) This subchapter does not limit the power of

1 the authority and all persons, including other  
2 governmental entities, to use any other law not in  
3 conflict with this subchapter to the extent convenient  
4 or necessary to carry out a power, express or implied,  
5 granted by this subchapter.

6 Revised Law

7 Sec. 3503.007. LEGISLATIVE INTENT ON APPLICABILITY OF OTHER  
8 LAWS. The legislature intends that the authority shall have all  
9 power necessary to fully qualify and gain the benefits of any law  
10 that is helpful in carrying out the purposes for which the authority  
11 is created. (Loc. Gov. Code, Sec. 396.065(b) (part).)

12 Source Law

13 (b) . . . It is further the intent of the  
14 legislature that the authority shall have all the  
15 power and authority necessary to fully qualify and  
16 gain the benefits of all laws that are in any way  
17 helpful in carrying out the purposes for which the  
18 authority is created, and . . . .

19 Revisor's Note

20 (1) Section 396.065(b), Local Government Code,  
21 provides that the authority shall have all "power and  
22 authority" necessary to gain the benefits of any law  
23 helpful to carry out the authority's purposes. The  
24 revised law omits "authority" because, in this  
25 context, "authority" is included in the meaning of  
26 "power."

27 (2) Section 396.065(b), Local Government Code,  
28 provides that any laws not in conflict with this  
29 subchapter are adopted and incorporated by reference.  
30 The revised law omits this language because the  
31 revised law clearly grants authority to use applicable  
32 laws. It is not necessary to repeat that authority  
33 here by "adopting and incorporating by reference."  
34 Further, laws to which the authority may "avail  
35 itself" apply on their own terms. The omitted law  
36 reads:

37 (b) . . . the provisions of those  
38 laws of which the authority may lawfully  
39 avail itself are adopted by this reference  
40 and made applicable to the authority to the  
41 extent they do not conflict with this  
42 subchapter.

1 Revised Law

2 Sec. 3503.008. APPLICABILITY OF STATE REGULATORY  
3 AUTHORITY. The authority is subject to the regulatory authority of  
4 the state, including any state agency, to the same extent as a  
5 municipal corporation. (Loc. Gov. Code, Sec. 396.062(f).)

6 Source Law

7 (f) The authority is subject to the regulatory  
8 authority of the state or any agencies of the state to  
9 the same extent as a municipal corporation.

10 Revised Law

11 Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS.  
12 Chapters 551 and 552, Government Code, apply to the authority.  
13 (Loc. Gov. Code, Sec. 396.062(d).)

14 Source Law

15 (d) The authority is subject to Chapters 551 and  
16 552, Government Code.

17 Revisor's Note  
18 (End of Subchapter)

19 Sections 396.065(b) and 396.077(b), Local  
20 Government Code, provide that this chapter prevails  
21 over other laws, including a home-rule city charter.  
22 The revised law omits Section 396.065(b) because it  
23 duplicates in substance Section 311.026, Government  
24 Code (Code Construction Act). The revised law omits  
25 Section 396.077(b) because it also partially  
26 duplicates Section 311.026 and a statement that the  
27 law prevails over conflicting home-rule charters is  
28 unnecessary because it restates the common rule of  
29 statutory construction regarding conflicting laws.  
30 The omitted law reads:

31 [Sec. 396.065]

32 (b) To the extent the general laws  
33 may be inconsistent or in conflict with this  
34 subchapter, the provisions of this  
35 subchapter shall prevail. . . .

36 [Sec. 396.077]

37 (b) To the extent of a conflict or  
38 inconsistency between this subchapter and  
39 another law, including a home-rule city  
40 charter, this subchapter prevails.

1 [Sections 3503.010-3503.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Revised Law

4 Sec. 3503.051. GENERAL DUTIES. The board shall manage,  
5 control, and operate the authority. (Loc. Gov. Code, Sec.  
6 396.063(a) (part).)

7 Source Law

8 Sec. 396.063. BOARD. (a) The board . . . is  
9 responsible for the management, operation, and control  
10 of the authority.

11 Revised Law

12 Sec. 3503.052. COMPOSITION. The board is composed of the  
13 following 15 directors:

14 (1) two directors appointed by the county judge of  
15 Bowie County;

16 (2) one director appointed by the commissioners court  
17 of Bowie County;

18 (3) three directors appointed by the mayor of  
19 Texarkana;

20 (4) one director appointed by the mayor of New Boston;

21 (5) one director appointed by the mayor of Hooks;

22 (6) one director appointed by the mayor of Nash;

23 (7) one director appointed by the mayor of Wake  
24 Village;

25 (8) one director appointed by the mayor of Leary;

26 (9) one director appointed by the mayor of Redwater;

27 (10) one director appointed by the mayor of Maud;

28 (11) one director appointed by the mayor of DeKalb;

29 and

30 (12) one director appointed by the mayor of Red Lick.

31 (Loc. Gov. Code, Secs. 396.063(a) (part), (b).)

32 Source Law

33 Sec. 396.063. BOARD. (a) The board consists of  
34 15 members and . . . .

35 (b) The board is composed of the following  
36 members:

37 (1) two members appointed by the county  
38 judge of the county;



- 1 (2) one member appointed by the  
2 commissioners court of the county;  
3 (3) three members appointed by the mayor  
4 of Texarkana;  
5 (4) one member appointed by the mayor of  
6 New Boston;  
7 (5) one member appointed by the mayor of  
8 Hooks;  
9 (6) one member appointed by the mayor of  
10 Nash;  
11 (7) one member appointed by the mayor of  
12 Wake Village;  
13 (8) one member appointed by the mayor of  
14 Leary;  
15 (9) one member appointed by the mayor of  
16 Redwater;  
17 (10) one member appointed by the mayor of  
18 Maud;  
19 (11) one member appointed by the mayor of  
20 DeKalb; and  
21 (12) one member appointed by the mayor of  
22 Red Lick.

23 Revised Law

24 Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS. (a)

25 Each director serves for a term of two years.

26 (b) The board by rule or resolution may:

27 (1) provide for the appointment of directors of the  
28 board in alternating years; and

29 (2) determine the number of directors and the manner  
30 of deciding which directors shall be appointed in odd-numbered  
31 years and which directors shall be appointed in even-numbered  
32 years.

33 (c) A director who is also an elected official serves for a  
34 term coinciding with the term of the elected office. (Loc. Gov.  
35 Code, Secs. 396.063(c) (part), (d), (e).)

36 Source Law

37 (c) . . . Each board member serves for a term  
38 of two years.

39 (d) A board member who is also an elected  
40 official serves for a term coinciding with the term of  
41 the elected office.

42 (e) The board by rule or resolution may provide  
43 for the appointment of members of the board in  
44 alternate years and may determine the number and  
45 manner of deciding which members shall be appointed in  
46 odd-numbered years and which shall be appointed in  
47 even-numbered years.

48 Revised Law

49 Sec. 3503.054. VACANCIES. A vacancy on the board is filled  
50 in the same manner as the original appointment. (Loc. Gov. Code,

1 Sec. 396.063(c) (part)..

2 Source Law

3 (c) A vacancy on the board is filled in the same  
4 manner as the original appointment. . . .

5 Revised Law

6 Sec. 3503.055. OFFICERS. (a) The board shall elect from  
7 among its membership a president and a vice president.

8 (b) The vice president shall preside in the absence of the  
9 president. (Loc. Gov. Code, Sec. 396.063(f).)

10 Source Law

11 (f) The board shall elect from its membership a  
12 president and a vice president. The vice president  
13 shall preside in the absence of the president.

14 Revised Law

15 Sec. 3503.056. RECALL. A director may be recalled at any  
16 time by the appointing official. (Loc. Gov. Code, Sec.  
17 396.063(i).)

18 Source Law

19 (i) A board member may be recalled at any time by  
20 the appointing official.

21 Revised Law

22 Sec. 3503.057. COMPENSATION; REIMBURSEMENT. A director is  
23 not entitled to compensation for service on the board but is  
24 entitled to be reimbursed for necessary expenses incurred in  
25 carrying out the duties of a director. (Loc. Gov. Code, Sec.  
26 396.063(j).)

27 Source Law

28 (j) A board member is not entitled to  
29 compensation for service on the board but is entitled  
30 to be reimbursed for necessary expenses incurred in  
31 carrying out the duties and responsibilities of a  
32 board member.

33 Revisor's Note

34 Section 396.063(j), Local Government Code,  
35 refers to the "duties and responsibilities" of a board  
36 member. The revised law omits "responsibilities"  
37 because the meaning of that word is included in the  
38 meaning of "duties."

1 Revised Law

2 Sec. 3503.058. COMPENSATION; BOARD POSITION NOT CIVIL  
3 OFFICE OF EMOLUMENT. (a) A position on the board may not be  
4 construed to be a civil office of emolument for any purpose,  
5 including a purpose described in Section 40, Article XVI, Texas  
6 Constitution.

7 (b) Elected officials of Bowie County and municipalities  
8 may serve on the board without penalty or forfeiture of office.  
9 (Loc. Gov. Code, Sec. 396.063(k) (part).)

10 Source Law

11 (k) A position on the board may not be construed  
12 to be a civil office of emolument for any purpose,  
13 including those purposes described in Section 40,  
14 Article XVI, Texas Constitution. Elected officials of  
15 the county and cities may serve on the board without  
16 penalty or forfeiture of office. . . .

17 Revisor's Note

18 (1) Section 396.063(k), Local Government Code,  
19 refers to elected officials of "cities." Throughout  
20 this chapter, the revised law substitutes  
21 "municipality" for "city" because the meaning of  
22 "municipality" includes a city and because that is the  
23 term used in the Local Government Code.

24 (2) Section 396.063(k), Local Government Code,  
25 provides that if a conflict arises between this  
26 section and another provision of law this section  
27 shall prevail and be given effect. The revised law  
28 omits the language because it duplicates, in  
29 substance, Section 311.026, Government Code (Code  
30 Construction Act). The omitted law reads:

31 (k) . . . In the event of any  
32 conflict between this section and any  
33 provision of statutory or common law that  
34 would in any way prevent the elected  
35 officials from serving on the board, the  
36 provisions of this section shall prevail  
37 and be given effect. . . .

38 Revised Law

39 Sec. 3503.059. RULES; PROCEEDINGS. The board shall adopt  
40 rules to govern its proceedings. (Loc. Gov. Code, Sec. 396.063

1 (g).)

2 Source Law

3 (g) The board shall adopt rules to govern its  
4 proceedings.

5 Revised Law

6 Sec. 3503.060. CONFLICT OF INTEREST; APPLICABILITY OF OTHER  
7 LAW. A conflict of interest, under either statutory or common law,  
8 for a director regarding a particular matter to come before the  
9 board, is governed by Chapter 171, Local Government Code. (Loc.  
10 Gov. Code, Sec. 396.063(k) (part).)

11 Source Law

12 (k) . . . A conflict of interest, under either  
13 statutory or common law, for any board member  
14 regarding a particular matter to come before the  
15 board, is governed by Chapter 171, Local Government  
16 Code.

17 [Sections 3503.061-3503.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Revised Law

20 Sec. 3503.101. GENERAL POWERS AND DUTIES. (a) This chapter  
21 provides sufficient authority to issue bonds, execute contracts,  
22 and perform any other act or procedure authorized in this chapter  
23 for the authority and all other persons of this state, including  
24 another governmental entity of this state and including an action  
25 regarding another governmental entity and the United States,  
26 without reference to other law or a restriction or limitation  
27 contained in other law, except as provided by this chapter.

28 (b) The authority may exercise any power or duty necessary  
29 or appropriate to carry out a project described by Section  
30 3503.003(a)(3) and the purposes of this chapter, including the  
31 power to:

- 32 (1) sue and be sued, and plead and be impleaded, in its
- 33 own name;
- 34 (2) adopt an official seal;
- 35 (3) adopt, enforce, and amend rules for the conduct of
- 36 its affairs;
- 37 (4) acquire, hold, own, pledge, and dispose of its

- 1 revenue, income, receipts, and money from any source;
- 2 (5) select its depository;
- 3 (6) acquire, own, rent, lease, accept, hold, or  
4 dispose of any property, or any interest in property, including  
5 rights or easements, in performing its duties and exercising its  
6 powers under this chapter, by purchase, exchange, gift, assignment,  
7 sale, lease, or other method;
- 8 (7) hold, manage, operate, or improve the property;
- 9 (8) sell, assign, lease, encumber, mortgage, or  
10 otherwise dispose of property, or any interest in property, and  
11 relinquish a property right, title, claim, lien, interest,  
12 easement, or demand, however acquired;
- 13 (9) perform an activity authorized by Subdivision (8)  
14 by public or private sale, with or without public bidding,  
15 notwithstanding any other law;
- 16 (10) lease or rent any land and building, structure,  
17 or facility from or to any person to carry out a chapter purpose;
- 18 (11) request and accept an appropriation, grant,  
19 allocation, subsidy, guarantee, aid, service, labor, material, or  
20 gift, from the federal government, the state, a public agency or  
21 political subdivision, or any other source;
- 22 (12) operate and maintain an office and appoint and  
23 determine the duties, tenure, qualifications, and compensation of  
24 officers, employees, agents, professional advisors and counselors,  
25 including financial consultants, accountants, attorneys,  
26 architects, engineers, appraisers, and financing experts, as  
27 considered necessary or advisable by the board;
- 28 (13) borrow money and issue bonds, payable solely from  
29 all or a portion of any authority revenue, by resolution or order of  
30 the board and without the necessity of an election;
- 31 (14) set and collect rents, rates, fees, and charges  
32 regarding the property and any services provided by the authority;
- 33 (15) exercise the powers Chapters 373 and 380, Local  
34 Government Code, grant to a municipality for the development of

1 housing and expansion of economic development and commercial  
2 activity;

3 (16) exercise the powers Chapter 49, Water Code,  
4 grants to a general-law district;

5 (17) exercise the powers Chapter 54, Water Code,  
6 grants to a municipal utility district;

7 (18) exercise the powers Chapter 441, Transportation  
8 Code, grants to a road utility district;

9 (19) exercise the powers Subchapter C, Chapter 271,  
10 Local Government Code, grants to a municipality or county;

11 (20) exercise the powers Chapter 402, Local Government  
12 Code, grants to a municipality for the provision of municipal  
13 utilities;

14 (21) contract and be contracted with, in the  
15 authority's own name, another person in the performance of the  
16 authority's powers or duties to carry out a project described by  
17 Section 3503.003(a)(3), or to accomplish the purposes of this  
18 chapter for a period of years, on the terms, and by competitive  
19 bidding or by negotiated contract, all as the board considers  
20 appropriate, desirable, and in the best interests of the authority  
21 and the accomplishment of chapter purposes; and

22 (22) acquire, hold, own, sell, assign, lease,  
23 encumber, mortgage, or otherwise dispose of any real, personal, or  
24 mixed property located outside the perimeter of the property  
25 described by Section 3503.004 if the other property enhances or  
26 facilitates the development, redevelopment, maintenance, or  
27 expansion of new and existing businesses, industry, or commercial  
28 activity on the property. (Loc. Gov. Code, Secs. 396.065(a),  
29 396.077(a).)

30 Source Law

31 Sec. 396.065. POWERS OF AUTHORITY. (a) Except  
32 as provided by Subsection (c), the authority may  
33 exercise all powers, functions, authority, rights, and  
34 duties necessary or appropriate to carry out projects  
35 described by Section 396.064(a)(3) and the purposes of  
36 this subchapter, including the power to:

37 (1) sue and be sued, and plead and be  
38 impleaded, in its own name;

1                   (2) adopt an official seal, and alter the  
2 seal when advisable;  
3                   (3) adopt, enforce, and from time to time  
4 amend rules for the conduct of its affairs that are not  
5 inconsistent with this subchapter;  
6                   (4) acquire, hold, own, pledge, and  
7 dispose of its revenues, income, receipts, funds, and  
8 money from every source and to select its depository;  
9                   (5) acquire, own, rent, lease, accept,  
10 hold, or dispose of any or all property, or any  
11 interest in property, including rights or easements,  
12 in performing its duties and exercising its powers  
13 under this subchapter, by purchase, exchange, gift,  
14 assignment, sale, lease, or otherwise, and to hold,  
15 manage, operate, or improve the property;  
16                   (6) sell, assign, lease, encumber,  
17 mortgage, or otherwise dispose of any or all property,  
18 or any interest in property, and release or relinquish  
19 any right, title, claim, lien, interest, easement, or  
20 demand, however acquired;  
21                   (7) perform an activity authorized by  
22 Subdivision (6) by public or private sale, with or  
23 without public bidding, notwithstanding any other law;  
24                   (8) lease or rent any lands and buildings,  
25 structures, or facilities from or to any person or  
26 municipality or other public agency or political  
27 subdivision to carry out the purposes of this  
28 subchapter;  
29                   (9) request and accept any appropriations,  
30 grants, allocations, subsidies, guaranties, aid,  
31 contributions, services, labor, materials, gifts, or  
32 donations from the federal government, the state, any  
33 public agency or political subdivision, or any other  
34 source;  
35                   (10) operate and maintain an office and  
36 appoint and determine the duties, tenure,  
37 qualifications, and compensation of officers,  
38 employees, agents, professional advisors and  
39 counselors, including financial consultants,  
40 accountants, attorneys, architects, engineers,  
41 appraisers, and financing experts, as considered  
42 necessary or advisable by the board;  
43                   (11) borrow money and issue bonds, payable  
44 solely from all or any portion of any revenues of the  
45 authority, by resolution or order of the board and  
46 without the necessity of an election;  
47                   (12) fix, revise, charge, and collect  
48 rents, rates, fees, and charges regarding the property  
49 and any services provided by the authority;  
50                   (13) exercise the powers granted to  
51 municipalities under Chapters 373 and 380 for the  
52 development of housing and expansion of economic  
53 development and commercial activity;  
54                   (14) exercise the powers granted to  
55 general-law districts under Chapter 49, Water Code,  
56 and to municipal utility districts under Chapter 54,  
57 Water Code;  
58                   (15) exercise the powers granted to road  
59 utility districts under Chapter 441, Transportation  
60 Code;  
61                   (16) exercise the powers granted to  
62 municipalities and counties under Subchapter C,  
63 Chapter 271;  
64                   (17) exercise those powers granted to  
65 municipalities in Chapter 402 for the provision of  
66 municipal utilities;  
67                   (18) contract and be contracted with, in  
68 the authority's own name, any person or entity in the  
69 performance of any of the authority's powers or duties,

1 to carry out projects described by Section  
2 396.064(a)(3), or to effectuate the purposes of this  
3 subchapter, for a period of years, on the terms and  
4 conditions and by competitive bidding or by negotiated  
5 contract, all as deemed by the board to be appropriate,  
6 desirable, and in the best interests of the authority  
7 and the accomplishment of the purposes of this  
8 subchapter; and

9 (19) to acquire, hold, own, sell, assign,  
10 lease, encumber, mortgage, or otherwise dispose of any  
11 real, personal, or mixed property located outside the  
12 perimeter of the property described in Section  
13 396.0621 if that other property enhances or  
14 facilitates the development, redevelopment,  
15 maintenance, or expansion of new and existing  
16 businesses, industry, or commercial activity on the  
17 property.

18 Sec. 396.077. CONSTRUCTION WITH OTHER LAW. (a)  
19 This subchapter provides sufficient authority for the  
20 issuance of bonds, the execution of contracts, and the  
21 performance of all other acts and procedures  
22 authorized in this subchapter for the authority and  
23 all other persons of this state, including other  
24 governmental entities of this state and including  
25 actions regarding other governmental entities and the  
26 United States, without reference to any other law or  
27 any restrictions or limitations contained in other  
28 law, except as provided in this subchapter.

29 Revisor's Note

30 (1) Section 396.065(a), Local Government Code,  
31 refers to powers the authority may exercise, "[e]xcept  
32 as provided by Subsection (c)." The revised law omits  
33 the quoted language because Section 396.065(c), Local  
34 Government Code, was repealed by Section 5, Chapter  
35 387, Acts of the 78th Legislature, Regular Session,  
36 2003.

37 (2) Section 396.065(a), Local Government Code,  
38 provides that the authority may exercise "all powers,  
39 functions, authority, rights, and duties" necessary to  
40 carry out the purposes of this subchapter. The revised  
41 law omits the references to "functions," "authority,"  
42 and "rights" because the quoted language is included  
43 in the meaning of "powers" and "duties."

44 (3) Section 396.065(a)(2), Local Government  
45 Code, provides that the authority may adopt an  
46 official seal "and alter the seal when advisable." The  
47 revised law omits the quoted language because the  
48 power to adopt a seal includes the power to alter it.



1           (4) Section 396.065(a)(3), Local Government  
2 Code, provides that the authority may amend rules  
3 "from time to time." The revised law omits the quoted  
4 language for the reason stated in the revisor's note to  
5 Section 3503.005.

6           (5) Section 396.065(a)(3), Local Government  
7 Code, provides that the authority may adopt, enforce,  
8 and amend rules "that are not inconsistent with this  
9 subchapter." The revised law omits the quoted  
10 language because the absence of the language does not  
11 imply there is authority to take actions inconsistent  
12 with the law.

13           (6) Section 396.065(a)(4), Local Government  
14 Code, refers to the authority's power regarding  
15 "funds, and money." The revised law omits "funds"  
16 because, in context, its meaning is included in the  
17 meaning of "money." In addition, throughout this  
18 chapter, the revised law substitutes "money" for  
19 "funds" because, in context, the meaning is the same  
20 and "money" is the more commonly used term.

21           (7) Section 396.065(a)(6), Local Government  
22 Code, provides that the authority may "release or  
23 relinquish" a property right, title, claim, lien,  
24 interest, easement, or demand. The revised law omits  
25 "release" because its meaning is included in the  
26 meaning of "relinquish."

27           (8) Section 396.065(a)(8), Local Government  
28 Code, provides that the authority may lease or rent  
29 from or to "any person or municipality or other public  
30 agency or political subdivision." The revised law  
31 omits the reference to "municipality or other public  
32 agency or political subdivision" because its meaning  
33 is included in the meaning of "person" under Section  
34 311.005(2), Government Code (Code Construction Act).

1 (9) Section 396.065(a)(9), Local Government  
2 Code, provides that the authority may request and  
3 accept "contributions," "gifts," or "donations." The  
4 revised law omits "donations" and "contributions"  
5 because the meaning of those terms is included in the  
6 meaning of "gifts."

7 (10) Section 396.065(a)(12), Local Government  
8 Code, provides that the authority may "fix, revise,  
9 [and] charge" various rents and other charges. The  
10 revised law substitutes "set" for the quoted language  
11 because "set" is the more commonly used term and is  
12 synonymous in this context.

13 (11) Section 396.065(a)(18), Local Government  
14 Code, refers to "any person or entity." The revised  
15 law omits "entity" because "entity" is included in the  
16 meaning of "person" under Section 311.005(2),  
17 Government Code (Code Construction Act).

18 (12) Section 396.065(a)(18), Local Government  
19 Code, refers to "terms and conditions." The revised  
20 law omits "conditions" because "conditions" is  
21 included in the meaning of "terms."

22 Revised Law

23 Sec. 3503.102. GENERAL PROPERTY POWERS. The authority may  
24 acquire, purchase, construct, own, operate, maintain, repair,  
25 improve, or extend, lease, or sell on terms, including rentals or  
26 sale prices, on which the parties agree, any work, improvement,  
27 facility, plant, building, structure, equipment, or appliance and  
28 any property or any interest in related property that is incident to  
29 or necessary to carry out or perform an authority power. (Loc. Gov.  
30 Code, Sec. 396.069.)

31 Source Law

32 Sec. 396.069. GENERAL POWERS. The authority  
33 may acquire, purchase, construct, own, operate,  
34 maintain, repair, improve, or extend, lease, or sell  
35 on terms and conditions, including rentals or sale  
36 prices, on which the parties may agree, all works,  
37 improvements, facilities, plants, buildings,

1 structures, equipment, and appliances and all property  
2 or any interest in related property that is incident to  
3 or necessary to carry out or perform an authority  
4 power.

5 Revised Law

6 Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS;  
7 EMINENT DOMAIN. (a) The authority may undertake a project under  
8 Section 3503.003(a)(3) to develop water, sewer, and natural gas  
9 projects to benefit the authority.

10 (b) The authority may exercise the power of eminent domain  
11 for a project under this section. (Loc. Gov. Code, Sec. 396.070.)

12 Source Law

13 Sec. 396.070. WATER, SEWER, AND NATURAL GAS  
14 PROJECTS; EMINENT DOMAIN. (a) The authority may  
15 undertake a project under Section 396.064(a)(3) to  
16 develop water, sewer, and natural gas projects to  
17 benefit the authority.

18 (b) The authority may exercise the power of  
19 eminent domain for a project under this section.

20 Revised Law

21 Sec. 3503.104. WASTE DISPOSAL. (a) The authority may  
22 provide for the collection, transmission, treatment, disposal, and  
23 control of municipal, domestic, industrial, and commercial waste  
24 water and sewage.

25 (b) The authority may exercise the powers granted to a  
26 district under Chapter 30, Water Code. (Loc. Gov. Code, Secs.  
27 396.071, 396.072.)

28 Source Law

29 Sec. 396.071. REGIONAL WASTE DISPOSAL. The  
30 authority may exercise the powers granted a district  
31 under Chapter 30, Water Code.

32 Sec. 396.072. WASTE WATER AND SEWAGE. The  
33 authority may provide for the collection,  
34 transmission, treatment, disposal, and control of  
35 municipal, domestic, industrial, and commercial waste  
36 water and sewage.

37 Revised Law

38 Sec. 3503.105. OTHER POWERS RELATED TO WATER. The  
39 authority may provide for the construction, storage, transmission,  
40 treatment, supply, and distribution of water for any useful  
41 purpose, including for a municipal, domestic, industrial, or  
42 commercial purpose. (Loc. Gov. Code, Sec. 396.073.)

1 Source Law

2 Sec. 396.073. OTHER WATER POWERS. The  
3 authority may provide for the construction, storage,  
4 transmission, treatment, supply, and distribution of  
5 water for any useful purpose, including for a  
6 municipal, domestic, industrial, or commercial  
7 purpose.

8 Revised Law

9 Sec. 3503.106. CONTRACTS. The authority and any person may  
10 contract with each other in any manner and on terms on which the  
11 parties agree regarding a power the authority may exercise or a  
12 facility or service that the authority may provide or finance.  
13 (Loc. Gov. Code, Sec. 396.074.)

14 Source Law

15 Sec. 396.074. CONTRACTS. The authority and all  
16 persons may contract with each other in any manner and  
17 on terms as to which the parties may agree regarding a  
18 power, facility, or service that the authority may  
19 exercise, provide, or finance.

20 Revised Law

21 Sec. 3503.107. EMPLOYEES. The board may employ persons to  
22 carry out the powers and duties of the authority. (Loc. Gov. Code,  
23 Sec. 396.063(h).)

24 Source Law

25 (h) The board may employ persons to carry out  
26 the powers and duties of the authority.

27 [Sections 3503.108-3503.150 reserved for expansion]

28 SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

29 Revised Law

30 Sec. 3503.151. USE OF REVENUE FROM OTHER GOVERNMENTAL  
31 ENTITIES; LIMITATION. (a) Any governmental entity of this state  
32 may:

33 (1) use and pledge available revenue for the payment  
34 of an amount due under a contract entered into with the authority as  
35 an additional source of payment of the contracts or as the sole  
36 source of payment of the contracts; and

37 (2) covenant with respect to available revenue to  
38 assure the availability of the revenue when required.

39 (b) The governmental entity may not use, pledge, or covenant

1 under this section revenue from ad valorem taxes, or the proceeds of  
2 bonds paid wholly or partly from ad valorem taxes, unless the use,  
3 pledge, or covenant has been approved by the voters of the  
4 governmental entity at an election called for the purpose of:

- 5 (1) imposing taxes or issuing or refunding bonds; or
  - 6 (2) using or pledging the entity's revenue or proceeds
- 7 under contracts with the authority under this chapter. (Loc. Gov.  
8 Code, Secs. 396.075(a), (b).)

9 Source Law

10 Sec. 396.075. POWERS OF OTHER GOVERNMENTAL  
11 ENTITIES. (a) As used in this section, "revenue" does  
12 not include revenue from ad valorem taxes imposed by a  
13 governmental entity or the proceeds from the sale or  
14 refunding of bonds of a governmental entity that are to  
15 be wholly or partially paid from ad valorem taxes  
16 imposed by the governmental entity unless the use or  
17 pledge of the tax revenue or bond proceeds are approved  
18 by the voters of the governmental entity at an election  
19 called for the purpose of imposing taxes or issuing or  
20 refunding bonds, or for the purpose of using or  
21 pledging their revenues or proceeds under contracts  
22 with the authority under this chapter.

23 (b) Any governmental entity of this state may  
24 use and pledge any available revenue for and in the  
25 payment of an amount due under a contract entered into  
26 with the authority as an additional source of payment  
27 of the contracts or as the sole source of payment of  
28 the contracts, and may covenant with respect to  
29 available revenue to assure the availability of the  
30 revenue when required.

31 Revised Law

32 Sec. 3503.152. FEES FOR USE OF OTHER GOVERNMENTAL ENTITIES'  
33 UTILITIES. (a) A governmental entity may charge a fee to any  
34 person for using a service or facility provided by a utility  
35 operated by the governmental entity and provided under a contract  
36 with the authority, including a fee for:

- 37 (1) water charges;
- 38 (2) sewage charges;
- 39 (3) solid waste disposal system fees and charges,  
40 including garbage collection or handling fees; and
- 41 (4) other fees or charges.

42 (b) The governmental entity may use and pledge a sufficient  
43 amount of the money collected under Subsection (a) to make a payment  
44 to the authority as required under a contract with the authority and

1 may covenant to do so in an amount sufficient to make a payment to  
2 the authority when due.

3 (c) A payment, if the parties agree in the contract, is an  
4 expense of operation of the facilities or utility operated by the  
5 governmental entity. (Loc. Gov. Code, Secs. 396.075(c), (d).)

6 Source Law

7 (c) A governmental entity may charge a fee to  
8 any person for using a service or facility provided by  
9 a utility operated by the governmental entity and  
10 provided under a contract with the authority,  
11 including:

- 12 (1) water charges;
- 13 (2) sewage charges;
- 14 (3) solid waste disposal system fees and  
15 charges, including garbage collection or handling  
16 fees; and
- 17 (4) other fees or charges.

18 (d) The governmental entity may use and pledge  
19 money collected under Subsection (c) to make a payment  
20 to the authority required under a contract with the  
21 authority and may covenant to do so in an amount  
22 sufficient to make a payment to the authority when due.  
23 A payment, if the parties agree in the contract, is an  
24 expense of operation of the facilities or utility  
25 operated by the governmental entity.

26 Revised Law

27 Sec. 3503.153. TRANSFER OF ASSETS BY COUNTY. (a) Bowie  
28 County may transfer to the authority by deed, bill of sale, or other  
29 method, all assets, including personal and real property,  
30 accumulated or acquired from, or with money provided by, the United  
31 States Department of the Army or this state for the development,  
32 redevelopment, maintenance, or expansion of the property, along  
33 with any unexpended money made available for those purposes by the  
34 United States Department of the Army or this state.

35 (b) The transfer of assets shall be made without the  
36 requirement of public notice or bidding.

37 (c) Except as otherwise provided by law, this section does  
38 not authorize the transfer of public money of Bowie County other  
39 than the money described by this section. (Loc. Gov. Code, Sec.  
40 396.068(b).)

41 Source Law

42 (b) Bowie County may transfer to the authority  
43 by deed, bill of sale, or otherwise, all assets,  
44 including personal and real property, accumulated or  
45 acquired from, or with funds provided by, the United

1 States Department of the Army or this state for the  
2 development, redevelopment, maintenance, or expansion  
3 of the property, together with any unexpended funds  
4 made available for those purposes by the United States  
5 Department of the Army or this state. The transfer of  
6 assets shall be made without the requirement of public  
7 notice or bidding. Except as otherwise provided by  
8 law, this subsection does not authorize the transfer  
9 of public funds of Bowie County other than the funds  
10 described by this subsection.

11 Revised Law

12 Sec. 3503.154. EXEMPTION FROM TAXATION. The property,  
13 revenue, and income of the authority are exempt from all taxes  
14 imposed by the state or a political subdivision of the state. (Loc.  
15 Gov. Code, Sec. 396.066.)

16 Source Law

17 Sec. 396.066. EXEMPTION FROM TAXATION. The  
18 properties, revenues, and income of the authority are  
19 exempt from all taxes levied by the state or a  
20 political subdivision of the state.

21 Revisor's Note

22 Section 396.066, Local Government Code, refers to  
23 taxes being "levied." The revised law substitutes  
24 "imposed" for "levied" because the terms are  
25 synonymous and "imposed" is the term more commonly  
26 used.

27 [Sections 3503.155-3503.200 reserved for expansion]

28 SUBCHAPTER E. BONDS

29 Revised Law

30 Sec. 3503.201. GENERAL AUTHORITY TO ISSUE BONDS. To  
31 exercise a power granted under this chapter, the authority may  
32 issue bonds to acquire, purchase, construct, maintain, repair,  
33 improve, or extend works, improvements, facilities, plants,  
34 buildings, structures, appliances, and property. (Loc. Gov. Code,  
35 Sec. 396.076(a).)

36 Source Law

37 Sec. 396.076. BONDS. (a) The authority may  
38 issue bonds for the acquisition, purchase,  
39 construction, maintenance, repair, improvement, and  
40 extension of works, improvements, facilities, plants,  
41 buildings, structures, appliances, and property to  
42 exercise a power granted under this subchapter.

1 Revised Law

2 Sec. 3503.202. REVENUE BONDS. (a) The authority may issue  
3 revenue bonds, including revenue bonds to pay for feasibility  
4 studies for proposed authority projects, including projects  
5 regarding engineering, planning and design, and environmental  
6 studies.

7 (b) The authority may include in a revenue bond issue the  
8 money to operate and maintain facilities acquired or constructed  
9 through the revenue bond issue for a period not to exceed two years  
10 after the date of the facility's completion. (Loc. Gov. Code, Secs.  
11 396.062(e) (part), 396.076(b).)

12 Source Law

13 [Sec. 396.062]

14 (e) The authority may issue revenue  
15 bonds. . . .

16 [Sec. 396.076]

17 (b) The authority may issue revenue bonds to pay  
18 for the costs of feasibility studies for proposed  
19 authority projects, including projects regarding  
20 engineering, planning and design, and environmental  
21 studies. The authority may include in a revenue bond  
22 issue the funds to operate and maintain facilities  
23 acquired or constructed through the revenue bond issue  
24 for a period not to exceed two years after completion  
25 of the facility.

26 Revised Law

27 Sec. 3503.203. APPROVAL BY ATTORNEY GENERAL. If bonds  
28 issued by the authority recite that they are secured by a pledge of  
29 payments under a contract, a copy of the contract and the  
30 proceedings relating to the contract may be submitted to the  
31 attorney general along with the bonds. If the attorney general  
32 finds that the bonds have been authorized and the contract was  
33 entered into in accordance with law, the attorney general shall  
34 approve the bonds and the contract. (Loc. Gov. Code, Sec.  
35 396.076(c).)

36 Source Law

37 (c) If any bonds issued by the authority recite  
38 that they are secured by a pledge of payments under a  
39 contract, a copy of the contract and the proceedings  
40 relating to the contract may be submitted to the  
41 attorney general along with the bonds, and if the  
42 attorney general finds that the bonds have been  
43 authorized and the contract was entered into in



1 accordance with law, the attorney general shall  
2 approve the bonds and the contract.

3 Revised Law

4 Sec. 3503.204. BONDS FOR WATER OR SEWER PROJECTS;  
5 APPLICABILITY OF WATER CODE. Bonds issued under this chapter for a  
6 water or sewer project shall be issued in accordance with Sections  
7 54.502 and 54.503, Water Code. (Loc. Gov. Code, Secs. 396.062(e)  
8 (part), 396.076(d).)

9 Source Law

10 [Sec. 396.062]

11 (e) . . . If bonds are issued under this  
12 section for a water or sewer project, the authority  
13 shall issue the bonds in accordance with Sections  
14 54.502 and 54.503, Water Code.

15 [Sec. 396.076]

16 (d) If bonds are issued under this section for a  
17 water or sewer project, the authority shall issue the  
18 bonds in accordance with Sections 54.502 and 54.503,  
19 Water Code.

20 [Sections 3503.205-3503.250 reserved for expansion]

21 SUBCHAPTER F. DISSOLUTION

22 Revised Law

23 Sec. 3503.251. POWER TO DISSOLVE; LEGISLATIVE INTENT. (a)  
24 The legislature intends that the authority be dissolved, with the  
25 approval of the governing bodies of the municipalities of DeKalb,  
26 Hooks, Leary, Maud, Nash, New Boston, Red Lick, Redwater,  
27 Texarkana, and Wake Village and the governing body of Bowie County,  
28 after conveyance and sale of all of the property.

29 (b) The authority may be dissolved by the board on approval  
30 of each governing body listed in Subsection (a) after all debts or  
31 obligations have been satisfied or retired. (Loc. Gov. Code, Secs.  
32 396.061(4), 396.067(a).)

33 Source Law

34 [Sec. 396.061]

35 (4) "Eligible municipality" includes only  
36 the cities of Texarkana, New Boston, Hooks, Nash, Wake  
37 Village, Leary, Redwater, Maud, DeKalb, and Red Lick.

38 Sec. 396.067. DISSOLUTION. (a) The authority  
39 may be dissolved by the board on approval of each  
40 eligible municipality and the county after all debts  
41 or obligations have been satisfied or retired. It is  
42 the intent of the legislature that the authority be  
43 dissolved, with the approval of the cities and county  
44 governing bodies, after conveyance and sale of all of

1 the property.

2 Revised Law

3 Sec. 3503.252. ASSETS TO COUNTY. On dissolution, any  
4 remaining assets of the authority shall be conveyed or transferred  
5 to Bowie County. (Loc. Gov. Code, Sec. 396.067(b).)

6 Source Law

7 (b) Assets of the authority remaining after all  
8 debts or obligations have been satisfied are to be  
9 conveyed or transferred to the county.

10 Revisor's Note  
11 (End of Chapter)

12 Section 396.068(a), Local Government Code,  
13 provides that the Red River Redevelopment Authority  
14 succeeds the Red River Local Redevelopment Authority.  
15 The revised law omits the section because it is  
16 executed. The omitted law reads:

17 Sec. 396.068. SUCCESSOR. (a) The  
18 authority is the successor in interest to  
19 the Red River Local Redevelopment  
20 Authority, a planning authority organized  
21 under the county and recognized by the  
22 United States Department of the Army, and  
23 succeeds to all rights and liabilities of  
24 the Red River Local Redevelopment  
25 Authority.

26 CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

27 SUBCHAPTER A. GENERAL PROVISIONS

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36 [Sections 3818.008-3818.050 reserved for expansion]

37 SUBCHAPTER B. BOARD OF DIRECTORS

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13 CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 3818.001. DEFINITIONS. In this chapter:

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

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

21 (3) "District" means the Harris County Improvement  
22 District No. 1. (Acts 70th Leg., R.S., Ch. 1026, Sec. 2; New.)

23 Source Law

24 Sec. 2. In this Act, "district" means Harris  
25 County Improvement District No. 1.

26 Revisor's Note

27 The definitions of "board" and "commission" are  
28 added to the revised law for drafting convenience and  
29 to eliminate frequent, unnecessary repetition of the  
30 substance of the definitions.

31 Revised Law

32 Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1. A  
33 special district known as the "Harris County Improvement District  
34 No. 1" is a political subdivision of this state. (Acts 70th Leg.,  
35 R.S., Ch. 1026, Sec. 1(A) (part).)

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Source Law

Sec. 1. (A) There is hereby created and established within the State of Texas, in the form and manner as herein set forth, a special district, to be known as "Harris County Improvement District No. 1," which shall be a governmental agency, a body politic and corporate, and a political subdivision of the state. . . .

Revisor's Note

(1) Section 1(A), Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, provides that the district is "created and established" within the State of Texas. The revised law omits the quoted language as executed because the district has been created.

(2) Section 1(A), Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, provides that the district is created and established "within the State of Texas." The revised law omits the quoted language because it is clear from Section 3 of that chapter that the district territory is in Texas.

(3) Section 1(A), Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, provides that the district "shall be a governmental agency, a body politic and corporate, and a political subdivision of the state." The revised law omits the references to "governmental agency" and "body politic and corporate" because they duplicate a portion of Section 59(b), Article XVI, Texas Constitution, which provides that a conservation and reclamation district is a governmental agency and body politic and corporate. The policy of the legislative council's statutory revision program is to omit from the revised codes the duplicating statutory provisions because a statute that tracks the language of the constitution not only is superfluous but may foster the erroneous belief that a constitutional requirement is merely statutory and subject to amendment through the ordinary

1 legislative process.

2 (4) Section 1(A), Chapter 1026, Acts of the 70th  
3 Legislature, Regular Session, 1987, provides that the  
4 board may change the name of the district by  
5 resolution. The revised law omits that provision  
6 because it duplicates Section 375.096(d), Local  
7 Government Code. Section 6(C), Chapter 1026, Acts of  
8 the 70th Legislature, Regular Session, 1987 (revised  
9 in this chapter as Section 3818.006), provides that  
10 Chapter 375, Local Government Code, applies to the  
11 district. Throughout this chapter, provisions that  
12 duplicate provisions in Chapter 375, Local Government  
13 Code, have been omitted. The relevant sections in  
14 Chapter 375 are cited in revisor's notes. The omitted  
15 law reads:

16 (A) . . . The name of the district  
17 may be changed by resolution of the board of  
18 directors of the district at any time.

19 Revised Law

20 Sec. 3818.003. PURPOSE; DECLARATION OF INTENT. The  
21 creation of the district is essential to accomplish the purposes of  
22 Section 52, Article III, and Section 59, Article XVI, Texas  
23 Constitution, and other public purposes as provided by this  
24 chapter. (Acts 70th Leg., R.S., Ch. 1026, Sec. 1(B).)

25 Source Law

26 (B) The creation of the district is declared to  
27 be essential to the accomplishment of the purposes of  
28 Article III, Section 52, and Article XVI, Section 59,  
29 of the Texas Constitution and to the accomplishment of  
30 the several other public purposes as more fully set  
31 forth in this Act.

32 Revised Law

33 Sec. 3818.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
34 The district is created to serve a public use and benefit. Each  
35 improvement project or service authorized by this chapter carries  
36 out a public purpose.

37 (b) All land and other property included in the district  
38 will benefit from the works and projects that are to be accomplished

1 by the district under powers conferred by Section 52, Article III,  
2 and Section 59, Article XVI, Texas Constitution, Vernon's Texas  
3 Civil Statutes, and other powers granted under this chapter.

4 (c) The creation of the district is essential to:

5 (1) the economic diversification of the state;

6 (2) the elimination of unemployment and  
7 underemployment; and

8 (3) the stimulation of transportation and commerce.

9 (d) The creation of the district is in the public interest  
10 and will promote the health, safety, and general welfare of its  
11 residents and the public.

12 (e) The present and prospective traffic congestion in the  
13 district, the safety of pedestrians, and the limited availability  
14 of funds require the promotion and development of public  
15 transportation and pedestrian facilities and systems by new and  
16 alternative means. The district will serve the public purpose of  
17 securing expanded and improved transportation and pedestrian  
18 facilities and systems.

19 (f) The district will promote the health, safety, welfare,  
20 morals, convenience, and enjoyment of the public by landscaping and  
21 developing certain areas in the district that are necessary for the  
22 restoration, preservation, and enhancement of scenic and aesthetic  
23 beauty.

24 (g) The district will not act as the agent or  
25 instrumentality of any private interest even though the district  
26 will benefit many private interests, as well as the public. (Acts  
27 70th Leg., R.S., Ch. 1026, Secs. 5(A), (B), 7(A) (part).)

28 Source Law

29 Sec. 5. (A) The legislature finds that all of  
30 the land and other property included within the  
31 boundaries of the district will be benefited by the  
32 works and projects that are to be accomplished by the  
33 district under powers conferred by Article III,  
34 Section 52, and Article XVI, Section 59, of the Texas  
35 Constitution, Vernon's Texas Civil Statutes, and other  
36 powers granted hereunder, and that the district is  
37 created to serve a public use and benefit.

38 (B) The legislature hereby finds that the  
39 creation of the district is essential to the economic  
40 diversification of the state, the elimination of

1 unemployment and underemployment and the stimulation  
2 of transportation and commerce, is in the public  
3 interest, and will promote the health, safety, and  
4 general welfare of its residents and the general  
5 public. The present and prospective traffic  
6 congestion in the district and the safety of  
7 pedestrians and the limited availability of funds  
8 require the promotion and development of public  
9 transportation and pedestrian facilities and systems  
10 by new and alternative means, and the district will  
11 serve the public purpose of securing expanded and  
12 improved transportation and pedestrian facilities and  
13 systems. The district will promote the health,  
14 safety, welfare, morals, convenience, and enjoyment of  
15 the public by landscaping and developing certain areas  
16 within the district, which are necessary for the  
17 restoration, preservation, and enhancement of scenic  
18 and aesthetic beauty. The district will not act as the  
19 agent or instrumentality of any private interests even  
20 though many private interests will be benefited by the  
21 district, as will the general public.

22 Sec. 7. (A) . . . Each and all of the  
23 improvement projects and/or services authorized by  
24 this Act are hereby found and declared to carry out a  
25 public purpose.

26 Revised Law

27 Sec. 3818.005. DISTRICT TERRITORY. (a) The district is  
28 composed of the territory described by Section 3, Chapter 1026,  
29 Acts of the 70th Legislature, Regular Session, 1987, as that  
30 territory may have been modified under:

31 (1) Section 3818.106, or its predecessor, Section 13,  
32 Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;

33 (2) Subchapter J, Chapter 49, Water Code; or

34 (3) other law.

35 (b) The boundaries and field notes of the district contained  
36 in Section 3, Chapter 1026, Acts of the 70th Legislature, Regular  
37 Session, 1987, form a closure. A mistake made in the field notes or  
38 in copying the field notes in the legislative process does not  
39 affect:

40 (1) the organization, existence, or validity of the  
41 district;

42 (2) the right of the district to issue any type of  
43 bond, including a refunding bond, for a purpose for which the  
44 district is created or to pay the principal of and interest on a  
45 bond;

46 (3) the right of the district to impose an assessment



1 or a tax; or

2 (4) the legality or operation of the district or the  
3 board. (Acts 70th Leg., R.S., Ch. 1026, Sec. 4; New.)

4 Source Law

5 Sec. 4. The legislature finds that the  
6 boundaries and field notes of the district form a  
7 closure. If any mistake is made in the field notes or  
8 in copying the field notes in the legislative process,  
9 it in no way affects the organization, existence, and  
10 validity of the district, or the right of the district  
11 to issue any type of bonds or refunding bonds for the  
12 purposes for which the district is created or to pay  
13 the principal of and interest on the bonds, or the  
14 right of the district to levy and collect assessments  
15 or taxes, or in any other manner affects the legality  
16 or operation of the district or its governing body.

17 Revisor's Note

18 (1) The revision of the law governing the  
19 district does not revise the statutory language  
20 describing the territory of the district to avoid the  
21 lengthy recitation of the description and because that  
22 description may not be accurate on the effective date  
23 of the revision or at the time of a later reading. For  
24 the reader's convenience, the revised law includes a  
25 reference to the statutory description of the  
26 district's territory and references to statutory  
27 authority to change the district's territory under  
28 Section 13, Chapter 1026, Acts of the 70th  
29 Legislature, Regular Session, 1987 (revised in this  
30 chapter as Section 3818.106), and under Subchapter J,  
31 Chapter 49, Water Code (applicable to the district  
32 under Sections 49.001 and 49.002, Water Code). The  
33 revised law also includes a reference to the general  
34 authority of the legislature to enact other laws to  
35 change the district's territory.

36 (2) Section 4, Chapter 1026, Acts of the 70th  
37 Legislature, Regular Session, 1987, refers to the  
38 district's authority to "levy and collect" assessments  
39 or taxes. Throughout this chapter, the revised law  
40 substitutes "impose" for "levy" or "levy and collect"

1 because "impose" is the term generally used in Title 1,  
2 Tax Code, and includes the levying and collection of a  
3 tax, and in the context of this chapter is also  
4 synonymous with the levying of an assessment.

5 Revised Law

6 Sec. 3818.006. APPLICABILITY OF OTHER LAW. Except as  
7 otherwise provided, Chapter 375, Local Government Code, applies to  
8 the district. (Acts 70th Leg., R.S., Ch. 1026, Sec. 6(C).)

9 Source Law

10 (C) Except as otherwise provided, Chapter 375,  
11 Local Government Code, applies to the district. The  
12 district has the rights, powers, privileges,  
13 authority, and functions of a district created under  
14 Chapter 375, Local Government Code.

15 Revised Law

16 Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
17 chapter shall be liberally construed in conformance with the  
18 legislative findings and purposes stated in this chapter. (Acts  
19 70th Leg., R.S., Ch. 1026, Sec. 5(C).)

20 Source Law

21 (C) This Act shall be liberally construed in  
22 conformance with the legislative findings and purposes  
23 set forth herein.

24 [Sections 3818.008-3818.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Revised Law

27 Sec. 3818.051. COMPOSITION; TERMS. (a) The district is  
28 governed by a board of 12 directors.

29 (b) The commission appoints the directors to positions  
30 numbered 1 through 12.

31 (c) Directors serve staggered four-year terms.

32 (d) The commission shall attempt to appoint directors to  
33 represent all geographical areas and business interests in the  
34 district and shall solicit input from the existing board concerning  
35 persons who would be eligible to represent the various interests in  
36 the district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(A), (C)  
37 (part), (G) (part).)

1 Source Law

2 Sec. 8. (A) The district is governed by a board  
3 of 12 directors appointed to positions numbered 1-12.  
4 Directors serve for staggered terms of four years  
5 except as otherwise provided by this section.

6 (C) . . . Directors shall be appointed by the  
7 Texas Water Commission for four-year terms.

8 (G) . . . The commission shall attempt to  
9 appoint directors to represent all geographical areas  
10 and business interests in the district and shall  
11 solicit input from the existing board concerning  
12 persons who would be eligible to represent the various  
13 interests in the district. . . .

14 Revisor's Note

15 (1) Section 8(B), Chapter 1026, Acts of the 70th  
16 Legislature, Regular Session, 1987, names the initial  
17 board of directors. The revised law omits the language  
18 as executed. The omitted law reads:

19 (B) At the time this Act takes  
20 effect, the following persons shall  
21 constitute the initial board of directors  
22 of the district and shall serve as provided  
23 herein:

- 24 (1) Giorgio Borlenghi
- 25 (2) John Breeding
- 26 (3) Raymond Brochstein
- 27 (4) Jose A. Gross
- 28 (5) Wm. James Miller
- 29 (6) Mrs. Jerry J. Moore
- 30 (7) J. Howard Rabin III
- 31 (8) Robert T. Sakowitz
- 32 (9) Louis S. Sklar
- 33 (10) John P. Sutherland
- 34 (11) Tim Throckmorton

35 (2) Section 8(C), Chapter 1026, Acts of the 70th  
36 Legislature, Regular Session, 1987, provides ending  
37 dates for the terms of the initial directors. The  
38 revised law omits the language as executed. The  
39 omitted law reads:

40 (C) The Texas Water Commission shall  
41 appoint a director to fill position 12, and  
42 that director shall serve until June 1,  
43 1993. Of the other initial directors, two  
44 directors shall serve until June 1, 1988,  
45 three directors shall serve until June 1,  
46 1989, three directors shall serve until  
47 June 1, 1990, and three directors shall  
48 serve until June 1, 1991. . . .

49 (3) Section 8(G), Chapter 1026, Acts of the 70th  
50 Legislature, Regular Session, 1987, refers to the

1 "commission," meaning the "Texas Water Commission"  
2 referred to by Section 8(C). The revised law defines  
3 "commission" as the "Texas Commission on Environmental  
4 Quality" to reflect a change in the agency's name. The  
5 name of the Texas Water Commission was changed to the  
6 Texas Natural Resource Conservation Commission by  
7 Section 1.085, Chapter 3, Acts of the 72nd  
8 Legislature, 1st Called Session, 1991. The name of the  
9 Texas Natural Resource Conservation Commission was  
10 changed to the Texas Commission on Environmental  
11 Quality by Section 18.01, Chapter 965, Acts of the 77th  
12 Legislature, Regular Session, 2001.

13 Revised Law

14 Sec. 3818.052. QUALIFICATIONS FOR OFFICE. (a) Except as  
15 provided by Subsection (b), a director must meet the requirements  
16 provided by Section 375.063, Local Government Code.

17 (b) A tenant of a person who qualifies under Sections  
18 375.063(2)-(4), Local Government Code, is not qualified to serve as  
19 a director under this chapter, except that the tenant is qualified  
20 to serve as a director in position 8 or 12 if the tenant:

21 (1) leases property in the district for an initial  
22 term of 10 years or more; or

23 (2) is an employee, stockholder, or owner of a  
24 beneficial interest in an entity having a lease that qualifies  
25 under Subdivision (1).

26 (c) A person who owns a partnership interest, whether  
27 general or limited, or who has a lease with a remaining term of 30  
28 years or more, excluding options, is considered to be an owner of  
29 land for purposes of this chapter.

30 (d) A person who qualifies to serve on the board under  
31 Subsection (a) or (b) is qualified to serve as a director and  
32 participate in all votes pertaining to the business of the  
33 district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(D), (E), (F),  
34 (K).)

1 Source Law

2 (D) Except as provided by Subsection (E) of this  
3 section, to be qualified to serve as a director a  
4 person must be at least 18 years old and:

- 5 (i) a resident;  
6 (ii) an owner of property in the district;  
7 (iii) an owner of stock (whether  
8 beneficial or otherwise) or a corporate owner of  
9 property in the district;  
10 (iv) an owner of a beneficial interest in a  
11 trust that owns property in the district; or  
12 (v) an agent or employee of (ii) through  
13 (iv) above.

14 (E) A person is qualified to serve as a director  
15 in position 8 or 12 if the person leases property in  
16 the district for an initial term of 10 years or more,  
17 or the person is an employee, stockholder, or owner of  
18 a beneficial interest in an entity having such a lease.

19 (F) A person or entity that owns a partnership  
20 interest (whether general or limited) or who has a  
21 lease with a remaining term of 30 years or more  
22 (excluding options) shall be deemed to be an owner of  
23 land for purposes of the Act.

24 (K) A person that qualifies to serve on the  
25 board of directors under Subsection (D) or (E) of this  
26 section shall be qualified to serve as a director and  
27 participate in all votes pertaining to the business of  
28 the district regardless of any statutory provision to  
29 the contrary.

30 Revisor's Note

31 (1) Section 8(D), Chapter 1026, Acts of the 70th  
32 Legislature, Regular Session, 1987, provides specific  
33 requirements that a person must meet to be qualified to  
34 serve as a director. The revised law substitutes a  
35 reference to Section 375.063, Local Government Code,  
36 because Section 8(D) is substantively the same as that  
37 section except that under Section 375.063, certain  
38 tenants are qualified to serve as a director. The  
39 revised law is drafted to reflect that difference.

40 (2) Section 8(F), Chapter 1026, Acts of the 70th  
41 Legislature, Regular Session, 1987, refers to a  
42 "person or entity." The revised law omits the  
43 reference to "entity" because Section 311.005,  
44 Government Code (Code Construction Act), applicable to  
45 the revised law, defines "person" to include "entity."

46 (3) Section 8(K), Chapter 1026, Acts of the 70th  
47 Legislature, Regular Session, 1987, provides that

1 certain persons are qualified to serve as directors  
2 "regardless of any statutory provision to the  
3 contrary." The revised law omits the quoted language  
4 because the provision necessarily supersedes  
5 conflicting statutory criteria previously enacted by  
6 the legislature. See also Sections 311.025 and  
7 311.026, Government Code (Code Construction Act),  
8 which govern the interpretation of the revised law in  
9 instances of apparent conflict with other laws.

10 Revised Law

11 Sec. 3818.053. QUORUM; CONCURRENCE OF DIRECTORS. (a)  
12 Seven directors constitute a quorum of the board for district  
13 purposes.

14 (b) Except as provided by Subsection (c), the concurrence of  
15 six directors is required for any official action of the district.

16 (c) The concurrence of eight directors is required to:

17 (1) authorize the issuance of bonds; or

18 (2) impose an assessment or tax. (Acts 70th Leg.,  
19 R.S., Ch. 1026, Sec. 8(J).)

20 Source Law

21 (J) Seven directors shall constitute a quorum  
22 for the consideration of matters pertaining to the  
23 purposes of the district, and a concurrence of six  
24 directors shall be required for any official action of  
25 the district; however, a concurrence of eight  
26 directors is required to authorize the issuance of  
27 bonds, and to levy assessments or taxes.

28 Revised Law

29 Sec. 3818.054. VACANCY. The commission by appointment  
30 shall fill a vacancy on the board. (Acts 70th Leg., R.S., Ch. 1026,  
31 Sec. 8(G) (part).)

32 Source Law

33 (G) A vacancy in the office of director shall be  
34 filled by appointment of the commission. . . .

35 Revised Law

36 Sec. 3818.055. REMOVAL OF DIRECTOR. The commission may  
37 remove a director for misconduct or failure to carry out the  
38 director's duties after a petition by a majority of the other

1 directors. (Acts 70th Leg., R.S., Ch. 1026, Sec. 8(G) (part).)

2 Source Law

3 (G) . . . The commission may remove a director  
4 for misconduct or failure to carry out his duties upon  
5 petition by a majority of the remaining directors.

6 Revisor's Note  
7 (End of Subchapter)

8 (1) Section 8(H), Chapter 1026, Acts of the 70th  
9 Legislature, Regular Session, 1987, provides that each  
10 director shall execute a bond and take an oath of  
11 office and that the bond and oath of office shall be  
12 filed with the district. The revised law omits the  
13 provision requiring directors to take an oath of  
14 office because Section 1, Article XVI, Texas  
15 Constitution, requires all officers to take the oath  
16 before assuming office. The revised law omits the  
17 provisions relating to the bond and the filing of the  
18 bond and oath because those provisions duplicate  
19 Section 375.067, Local Government Code. The omitted  
20 law reads:

21 (H) As soon as practicable after a  
22 director is appointed, he shall execute a  
23 bond for \$10,000 payable to the district and  
24 conditioned on the faithful performance of  
25 his duties. All bonds of the directors  
26 shall be approved by the board, and each  
27 director shall take the oath of office  
28 prescribed by the constitution for public  
29 officers. The bond and oath shall be filed  
30 with the district and retained in its  
31 records.

32 (2) Section 8(I), Chapter 1026, Acts of the 70th  
33 Legislature, Regular Session, 1987, provides for the  
34 organization of the board by the election of officers.  
35 The revised law omits that subsection because it  
36 duplicates Section 375.068, Local Government Code.  
37 The omitted law reads:

38 (I) After the directors have been  
39 appointed and have qualified by executing a  
40 bond and taking the proper oath, they shall  
41 organize by electing a president, a  
42 vice-president, a secretary, and any other  
43 officers as in the judgment of the board are  
44 considered necessary.

1 [Sections 3818.056-3818.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 3818.101. NONPROFIT CORPORATION. (a) The board by  
5 resolution may authorize the creation of a nonprofit corporation to  
6 assist and act for the district in implementing a project or  
7 providing a service authorized by this chapter.

8 (b) The nonprofit corporation:

9 (1) has each power of and is considered for purposes of  
10 this chapter to be a local government corporation created under  
11 Subchapter D, Chapter 431, Transportation Code; and

12 (2) may implement any project and provide any service  
13 authorized by this chapter.

14 (c) The board shall appoint the board of directors of the  
15 nonprofit corporation. The board of directors of the nonprofit  
16 corporation shall serve in the same manner as, for the same term as,  
17 and on the conditions of the board of directors of a local  
18 government corporation created under Chapter 431, Transportation  
19 Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7B.)

20 Source Law

21 Sec. 7B. (A) The board of directors by  
22 resolution may authorize the creation of a nonprofit  
23 corporation to assist and act on behalf of the district  
24 in implementing a project or providing a service  
25 authorized by this Act.

26 (B) The board of directors of the district shall  
27 appoint the board of directors of a nonprofit  
28 corporation created under this section. The board of  
29 directors of the nonprofit corporation serves in the  
30 same manner as, for the same term as, and on the  
31 conditions of the board of directors of a local  
32 government corporation created under Chapter 431,  
33 Transportation Code.

34 (C) A nonprofit corporation created under this  
35 section has the powers of, and is considered for  
36 purposes of this Act to be, a local government  
37 corporation created under Subchapter D, Chapter 431,  
38 Transportation Code.

39 (D) A nonprofit corporation created under this  
40 section may implement any project and provide any  
41 services authorized by this Act.

42 Revised Law

43 Sec. 3818.102. AGREEMENTS; GRANTS. (a) The district may  
44 make a contract, lease, or other agreement with, or accept a grant



1 or loan from, any person to carry out a purpose of this chapter on  
2 the terms and conditions and for the period of time determined by  
3 the board.

4 (b) A person may contract with the district to carry out the  
5 purposes of this chapter. (Acts 70th Leg., R.S., Ch. 1026, Secs.  
6 5A(D), 14.)

7 Source Law

8 (D) The district is authorized to make  
9 contracts, leases, and agreements with, and accept  
10 grants and loans from, the United States of America,  
11 the state, municipalities, other political  
12 subdivisions, and private persons or entities to carry  
13 out the purposes of this Act upon such terms and  
14 conditions and for such period of time as the governing  
15 body of the district may determine.

16 Sec. 14. The district is authorized to contract  
17 with a city, county, other political subdivision,  
18 corporation, or other persons to carry out the  
19 purposes of this Act upon such terms and conditions and  
20 for such period of time as the governing body may  
21 determine. A state agency, city, county, other  
22 political subdivision, corporation, individual, or  
23 other entity may contract with the district to carry  
24 out the purposes of this Act without any further  
25 authorization, notwithstanding any other law or  
26 charter provisions to the contrary.

27 Revisor's Note

28 (1) Section 5A(D), Chapter 1026, Acts of the  
29 70th Legislature, Regular Session, 1987, refers to  
30 "the United States of America, the state,  
31 municipalities, other political subdivisions, and  
32 private persons or entities." Section 14, Chapter  
33 1026, Acts of the 70th Legislature, Regular Session,  
34 1987, refers to a "city, county, other political  
35 subdivision, corporation, individual," and a "state  
36 agency." Throughout this chapter, the revised law  
37 omits references to "the United States of America,"  
38 "the state," "municipality," "city," "county,"  
39 "political subdivision," "corporation," "individual,"  
40 and a "state agency" in this context because Section  
41 311.005, Government Code (Code Construction Act),  
42 applicable to the revised law, defines "person" to  
43 include any legal entity.

1           (2) Section 14, Chapter 1026, Acts of the 70th  
2 Legislature, Regular Session, 1987, provides that  
3 certain entities may contract with the district  
4 "notwithstanding any other law or charter provisions  
5 to the contrary." The revised law omits the quoted  
6 language for the reason stated in Revisor's Note (3) to  
7 Section 3818.052.

8                               Revised Law

9           Sec. 3818.103. USE OF CONDUITS. (a) The district may:

10           (1) finance, acquire, construct, improve, operate,  
11 maintain, or charge a fee for the use of its own conduits for  
12 fiber-optic cable, electronic transmission lines, or other types of  
13 transmission lines and supporting facilities; or

14           (2) finance, acquire, construct, improve, operate, or  
15 maintain conference centers and supporting facilities.

16           (b) This section does not authorize the district to require  
17 a person to use a conduit authorized by this section. (Acts 70th  
18 Leg., R.S., Ch. 1026, Sec. 7C.)

19                               Source Law

20           Sec. 7C. (a) The district may:

21           (1) finance, acquire, construct, improve,  
22 operate, maintain, or charge fees for the use of its  
23 own conduits for fiber-optic cable, electronic  
24 transmission lines, or other types of transmission  
25 lines and supporting facilities; or

26           (2) finance, acquire, construct, improve,  
27 operate, or maintain conference centers and supporting  
28 facilities.

29           (b) Nothing in this section grants the district  
30 any authority to require a person to use the conduits  
31 authorized by this section.

32                               Revised Law

33           Sec. 3818.104. REGULATION OF SIGNS. The board by rule may  
34 regulate signs in the district. The board may require the removal  
35 of a sign that does not conform to a rule adopted under this  
36 section. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(Y).)

37                               Source Law

38           (Y) The board of directors by rule may regulate  
39 signs in the district. The board may require the  
40 removal of a sign that does not conform to a rule  
41 adopted under this subsection.

1 Revised Law

2 Sec. 3818.105. EXCLUSION OF TERRITORY; HEARING. (a) At any  
3 time, the board may on its own motion call a hearing on the question  
4 of the exclusion of land from the district as provided by Chapter  
5 49, Water Code, if the exclusion is practicable, just, or  
6 desirable.

7 (b) The board shall call a hearing on the exclusion of land  
8 or other property from the district if, before the issuance of bonds  
9 has been authorized, a property owner in the district files a  
10 written petition with the secretary of the board. (Acts 70th Leg.,  
11 R.S., Ch. 1026, Sec. 10.)

12 Source Law

13 Sec. 10. (A) At any time, the board may on its  
14 own motion call a hearing on the question of the  
15 exclusion of land from the district as provided in  
16 Chapter 54 of the Water Code, if the exclusions are  
17 practicable, just, or desirable.

18 (B) The board must call a hearing on the  
19 exclusion of land or other property from the district  
20 on the written petition of any landowner or property  
21 owner in the district filed with the secretary of the  
22 board before the issuance of bonds has been  
23 authorized.

24 Revisor's Note

25 (1) Section 10(A), Chapter 1026, Acts of the  
26 70th Legislature, Regular Session, 1987, refers to the  
27 provisions in Chapter 54, Water Code, relating to the  
28 exclusion of land from a district. Sections  
29 54.701-54.727, Water Code, which provided for the  
30 annexation or exclusion of territory by a municipal  
31 utility district, were repealed by Section 43, Chapter  
32 715, Acts of the 74th Legislature, Regular Session,  
33 1995. Section 2 of that act added Chapter 49, Water  
34 Code, including Subchapter J of that chapter, which  
35 now provides for the annexation or exclusion of  
36 territory by certain districts, including a municipal  
37 utility district. The revised law is drafted  
38 accordingly.

39 (2) Section 10(B), Chapter 1026, Acts of the

1 70th Legislature, Regular Session, 1987, refers to a  
2 "landowner or property owner." The revised law omits  
3 the reference to "landowner" because that term is  
4 included in the meaning of "property owner."

5 Revised Law

6 Sec. 3818.106. ANNEXATION. (a) Subject to the approval of  
7 the governing body of the City of Houston the district may:

8 (1) annex territory in accordance with Subchapter J,  
9 Chapter 49, Water Code; or

10 (2) annex territory located inside the boundaries of a  
11 reinvestment zone created under Chapter 311, Tax Code, as those  
12 boundaries existed on September 1, 2001.

13 (b) The district may annex territory described by  
14 Subsection (a)(2) only if:

15 (1) the district holds a public hearing on the  
16 proposed annexation and publishes notice in the district not later  
17 than the 15th day before the date of the hearing; and

18 (2) a majority of the qualified voters of the  
19 territory that the district proposes to annex voting at an election  
20 held within that territory approve:

21 (A) the annexation;

22 (B) the assumption of the bonds, notes,  
23 obligations, taxes, and special assessments created before the  
24 annexation of the area to the district; and

25 (C) the assumption of the bonds of the district  
26 payable wholly or partly from taxes or special assessments that  
27 have been voted previously but not yet issued or sold and the  
28 imposition of an ad valorem tax or special assessment on all taxable  
29 property within the annexed area for the payment of the bonds.

30 (c) If the voters approve each proposition under Subsection  
31 (b)(2), the board may adopt an order adding the annexed territory to  
32 the district.

33 (d) An election under Subsection (b) must be held and notice  
34 must be given in the territory that the district proposes to annex

1 in the same manner as provided for a bond election held by the  
2 district. The district may hold an election to annex territory on  
3 the same day as another district election.

4 (e) The board may:

5 (1) call an election to annex territory by a separate  
6 election order or as a part of another election order;

7 (2) submit multiple purposes in a single proposition  
8 at an election; or

9 (3) order multiple elections to annex the same  
10 territory.

11 (f) The district may annex defined areas of land, regardless  
12 of whether the areas are contiguous to the district.

13 (g) An annexed area shall bear that area's pro rata share of  
14 all bonds, notes, or other obligations, taxes, or special  
15 assessments that may be owed, contracted for, or authorized by the  
16 district.

17 (h) The election, notice, and hearing requirements imposed  
18 by Subsections (b)-(g) do not apply to an annexation under  
19 Subsection (a)(1). (Acts 70th Leg., R.S., Ch. 1026, Sec. 13.)

20 Source Law

21 Sec. 13. (A) The district may, subject to the  
22 approval of the governing body of the City of Houston,  
23 Texas:

24 (1) annex territory in accordance with  
25 Subchapter J, Chapter 49, Water Code; or

26 (2) annex territory located inside the  
27 boundaries of a reinvestment zone created under  
28 Chapter 311, Tax Code, as those boundaries exist on  
29 September 1, 2001, as provided by this section.

30 (B) The district may annex territory under  
31 Subsection (A)(2) only if:

32 (1) the district holds a public hearing on  
33 the proposed annexation and publishes notice in the  
34 district not later than the 15th day before the date of  
35 the hearing; and

36 (2) a majority of the qualified voters of  
37 the area that the district wants to annex, voting at an  
38 election called and held within the area that the  
39 district wants to annex:

40 (a) approve the annexation;

41 (b) approve the assumption of the  
42 bonds, notes, obligations, taxes, and special  
43 assessments created before the annexation of the area  
44 to the district; and

45 (c) approve the assumption of the  
46 bonds of the district payable wholly or partly from  
47 taxes or special assessments that have been voted  
48 previously but not yet issued or sold and the levy of

1 an ad valorem tax or special assessment on all taxable  
2 property within the annexed area for the payment of the  
3 bonds.

4 (C) If, at an election held under Subsection  
5 (B), the voters approve each proposition, the board of  
6 directors may adopt an order adding the annexed  
7 territory into the district.

8 (D) If the board of directors orders an election  
9 to be held under Subsection (B), the election must be  
10 held and notice must be given in the area that the  
11 district wants to annex as provided for a bond election  
12 held by the district. The district may hold an  
13 election to annex territory on the same day as any  
14 other district election. The board may call an  
15 election to annex territory by a separate election  
16 order or as a part of any other election order. The  
17 board may submit multiple purposes in a single  
18 proposition at an election. The board may order  
19 multiple elections to annex the same territory.

20 (E) The district may annex defined areas of  
21 land, regardless of whether the areas are contiguous  
22 to the district.

23 (F) An annexed area shall bear the area's pro  
24 rata share of all bonds, notes, or other obligations,  
25 taxes, or special assessments that may be owed,  
26 contracted for, or authorized by the district.

27 (G) The election, notice, and hearing  
28 requirements imposed by this section do not apply to an  
29 annexation under Subchapter J, Chapter 49, Water Code.

#### 30 Revisor's Note

31 Section 13, Chapter 1026, Acts of the 70th  
32 Legislature, Regular Session, 1987, refers to an  
33 election "called and held" within the territory that  
34 the district wants to annex. The revised law omits  
35 "called" because, in this context, "calling" an  
36 election is included within the meaning of "holding"  
37 an election. Under Chapter 3, Election Code, all  
38 elections must be ordered (called) before they may be  
39 held.

#### 40 Revised Law

41 Sec. 3818.107. DATE OF ELECTIONS. An election held in the  
42 district is not required to be held on a uniform election date  
43 provided by Section 41.001, Election Code. (Acts 70th Leg., R.S.,  
44 Ch. 1026, Sec. 11(C).)

#### 45 Source Law

46 (C) Elections held within the district are not  
47 required to be held on the uniform election dates  
48 specified in Section 41.001 of the Election Code.

#### 49 Revised Law

50 Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS.

1 The district must obtain approval from the governing body of the  
2 City of Houston and the department of planning of the City of  
3 Houston of the plans and specifications of any improvement project  
4 that involves the use of a right-of-way of a street, road, or  
5 highway or the use of municipal land. (Acts 70th Leg., R.S., Ch.  
6 1026, Sec. 9 (part).)

7 Source Law

8 Sec. 9. . . . The district must obtain approval  
9 from the governing body of the city of Houston and the  
10 department of planning of the city of Houston of the  
11 plans and specifications of any improvement project  
12 that involves the use of the rights-of-ways of  
13 streets, roads, or highways or the use of municipal  
14 land. . . .

15 Revised Law

16 Sec. 3818.109. NO EMINENT DOMAIN POWER. The district may  
17 not exercise the power of eminent domain. (Acts 70th Leg., R.S.,  
18 Ch. 1026, Sec. 7(B) (part).)

19 Source Law

20 (B) . . . .  
21 (3) . . . provided, however, the district  
22 shall not have the power of eminent domain;  
23 . . . .

24 Revisor's Note  
25 (End of Subchapter)

26 Section 6(A), Chapter 1026, Acts of the 70th  
27 Legislature, Regular Session, 1987, provides that the  
28 district has general powers and duties under certain  
29 provisions of general law and under Chapter 1026. The  
30 revised law omits that section because it duplicates  
31 Section 375.091, Local Government Code, which provides  
32 the general powers of municipal management districts.  
33 Section 6(A) refers to Article 6674r-1, Vernon's Texas  
34 Civil Statutes. That article was codified as Chapter  
35 441, Transportation Code, and is referenced in Section  
36 375.091, Local Government Code. The omitted law  
37 reads:

38 Sec. 6. (A) The district has all of  
39 the rights, powers, privileges, authority,  
40 and functions conferred by the general laws  
41 of this state applicable to conservation

1 and reclamation districts created under  
2 Article XVI, Section 59, of the Texas  
3 Constitution and road districts and road  
4 utility districts created pursuant to  
5 Article III, Section 52, of the Texas  
6 Constitution, including those conferred by  
7 Chapter 54 of the Water Code and Chapter 13,  
8 Acts of the 68th Legislature, 2nd Called  
9 Session, 1984 (Article 6674r-1, Vernon's  
10 Texas Civil Statutes), together with the  
11 additional rights, powers, privileges,  
12 authority, and functions contained in this  
13 Act.

14 [Sections 3818.110-3818.150 reserved for expansion]

15 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

16 Revised Law

17 Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

18 (a) The district may acquire, lease as lessor or lessee, construct,  
19 develop, own, operate, and maintain a public transit system to  
20 serve the area within the boundaries of the district.

21 (b) The district may acquire, construct, or develop a mass  
22 transit improvement or facility under Subsection (a) only if a  
23 petition is filed with the district that requests the improvement  
24 or facility. The petition must be executed by owners of property  
25 representing a majority in value or a majority in square footage of  
26 the real property in the district that abuts the right-of-way in  
27 which the improvement or facility is proposed to be located. The  
28 determination of a majority is based on the property owners along  
29 the entire right-of-way of the proposed transit project and may not  
30 be computed on a block-by-block basis. (Acts 70th Leg., R.S., Ch.  
31 1026, Sec. 5A(A).)

32 Source Law

33 Sec. 5A. (A) The district shall have the power  
34 to acquire, lease as lessor or lessee, construct,  
35 develop, own, operate, and maintain a public transit  
36 system to serve the area within the boundaries of the  
37 district. Before the district may acquire, construct,  
38 or develop a mass transit improvement or facility  
39 pursuant to this subsection, there must be filed with  
40 the district a petition requesting the improvement or  
41 facility executed by owners representing either a  
42 majority in value or a majority in square footage of  
43 the real property in the district abutting the  
44 right-of-way in which the improvement or facility is  
45 proposed to be located. The calculation of the  
46 property owners signing the petition, whether based on  
47 value or square footage, shall be based on the  
48 landowners along the entire right-of-way of the  
49 transit project and shall not be calculated on a block



1 by block basis.

2 Revised Law

3 Sec. 3818.152. PARKING FACILITIES AUTHORIZED; OPERATION BY  
4 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease  
5 as lessor or lessee, construct, develop, own, operate, and maintain  
6 parking facilities or a system of parking facilities, including:

7 (1) lots, garages, parking terminals, or other  
8 structures or accommodations for parking motor vehicles off the  
9 streets; and

10 (2) equipment, entrances, exits, fencing, and other  
11 accessories necessary for safety and convenience in parking  
12 vehicles.

13 (b) A parking facility of the district must be leased to or  
14 operated for the district by an entity other than the district.

15 (c) The district's parking facilities serve a public  
16 purpose under Section 3818.003 and are owned, used, and held for a  
17 public purpose even if leased or operated by a private entity for a  
18 term of years.

19 (d) The district's public parking facilities and any lease  
20 to a private entity are exempt from the payment of ad valorem taxes  
21 and state and local sales and use taxes. (Acts 70th Leg., R.S., Ch.  
22 1026, Sec. 5A(B).)

23 Source Law

24 (B) The district shall have the power to  
25 acquire, lease as lessor or lessee, construct,  
26 develop, own, operate, and maintain parking facilities  
27 or a system of parking facilities. Parking facilities  
28 include lots, garages, parking terminals, or other  
29 structures or accommodations for the parking of motor  
30 vehicles off the streets and include equipment,  
31 entrances, exits, fencing, and other accessories  
32 necessary for safety and convenience in the parking of  
33 vehicles. All parking facilities of the district will  
34 either be leased to or operated for the district by a  
35 private entity or an entity other than the district.  
36 The district's parking facilities will serve the  
37 public purposes expressed in Section 1 of this Act and  
38 be owned, used, and held for public purposes even if  
39 leased or operated by a private entity for a term of  
40 years, and the district's public parking facilities  
41 and any lease to a private entity will be exempt from  
42 the payment of ad valorem taxes and state and local  
43 sales and use taxes.

1 Revisor's Note

2 Section 5A(B), Chapter 1026, Acts of the 70th  
3 Legislature, Regular Session, 1987, refers to a  
4 "private entity or an entity other than the district."  
5 The revised law omits the reference to "private  
6 entity" because that term is included in the meaning of  
7 "an entity other than the district."

8 Revised Law

9 Sec. 3818.153. RULES FOR TRANSIT OR PARKING SYSTEM. (a)  
10 The district may adopt rules covering its public transit system and  
11 its public parking system.

12 (b) Rules adopted under this section that relate to or  
13 affect the use of the public right-of-way or a requirement for  
14 off-street parking are subject to all applicable municipal charter,  
15 code, and ordinance requirements. (Acts 70th Leg., R.S., Ch. 1026,  
16 Sec. 5A(C) (part).)

17 Source Law

18 (C) . . . The district may adopt rules and  
19 regulations covering its public transit system and its  
20 public parking system provided, however, that any  
21 rules relating to or affecting the use of the public  
22 right-of-way or requirements for off-street parking  
23 shall be subject to all applicable municipal charter,  
24 code, and ordinance requirements. . . .

25 Revisor's Note

26 Section 5A(C), Chapter 1026, Acts of the 70th  
27 Legislature, Regular Session, 1987, refers to "rules  
28 and regulations." The revised law omits the reference  
29 to "regulations" because under Section 311.005(5),  
30 Government Code (Code Construction Act), a rule is  
31 defined to include a regulation.

32 Revised Law

33 Sec. 3818.154. PAYING COST OF PUBLIC TRANSIT SYSTEM OR  
34 PARKING FACILITIES. (a) The district may use any of its  
35 resources, including revenue, assessments, taxes, and grant or  
36 contract proceeds, to pay the cost of acquiring or operating a  
37 public transit system or a system of public parking facilities.

1 (b) The district may:

2 (1) set, charge, impose, and collect fees, charges, or  
3 tolls for the use of the public transit system or the public parking  
4 facilities; and

5 (2) issue bonds or notes to finance the cost of these  
6 facilities.

7 (c) If the district pays for or finances the cost of  
8 acquiring and operating a public transit system or a system of  
9 public parking facilities with resources other than assessments, a  
10 petition of property owners or public hearing is not required, just  
11 as a petition of property owners and public hearing on the petition  
12 are not required for the provision of all other district services  
13 and improvements that are not paid for or financed with  
14 assessments. Notwithstanding this subsection, a petition is  
15 required as provided by Section 3818.151 before the district may  
16 construct transit improvements. (Acts 70th Leg., R.S., Ch. 1026,  
17 Sec. 5A(C) (part).)

18 Source Law

19 (C) The district may use any of its resources,  
20 including revenues, assessments, taxes, and grant or  
21 contract proceeds, to pay the cost of acquiring and  
22 operating a public transit system or a system of public  
23 parking facilities. . . . The district may set and  
24 determine and the district may charge, impose, levy,  
25 and collect fees, charges, and tolls for the use of the  
26 public transit system or the public parking facilities  
27 and may issue bonds or notes to finance the cost of  
28 these facilities. If the district pays for or finances  
29 the cost of acquiring and operating a public transit  
30 system or a system of public parking facilities with  
31 resources other than assessments, then no petition of  
32 property owners or public hearing thereon is required,  
33 just as no petition of property owners and public  
34 hearing thereon is required for the provision of all  
35 other district services and improvements not paid for  
36 or financed with assessments. Notwithstanding this  
37 subsection, a petition is required as provided in  
38 Subsection (A) of this section before the district may  
39 construct transit improvements.

40 Revisor's Note

41 Section 5A(C), Chapter 1026, Acts of the 70th  
42 Legislature, Regular Session, 1987, refers to the  
43 district's authority to "set and determine" fees,  
44 charges, and tolls. The revised law omits "determine"

1 because "determine" is included in the meaning of  
2 "set."

3 Revised Law

4 Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER TAXING  
5 UNITS. If the district's acquisition of property for a parking  
6 facility that is leased to or operated by a private entity results  
7 in removing from a taxing unit's tax rolls real property otherwise  
8 subject to ad valorem taxation, the district shall pay to the taxing  
9 unit in which the property is located, on or before January 1 of  
10 each year, as a payment instead of taxes, an amount equal to the ad  
11 valorem taxes that otherwise would have been imposed for the  
12 preceding tax year on that real property by the taxing unit, without  
13 including the value of any improvements constructed on the  
14 property. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(E).)

15 Source Law

16 (E) If the district's acquisition of property  
17 for a parking facility which is leased to or operated  
18 by a private entity results in the removal from a  
19 taxing unit's tax rolls of real property otherwise  
20 subject to ad valorem taxation, the district shall pay  
21 to the taxing unit in which the property is located, on  
22 or before January 1 of each year, as a payment in lieu  
23 of taxes, an amount equal to the ad valorem taxes that  
24 otherwise would have been levied for the preceding tax  
25 year on that real property by the taxing unit, without  
26 including the value of any improvements constructed on  
27 the property.

28 [Sections 3818.156-3818.200 reserved for expansion]

29 SUBCHAPTER E. FINANCIAL PROVISIONS

30 Revised Law

31 Sec. 3818.201. NOTICE AND HEARING REQUIRED. The board may  
32 finance a service or improvement project under this chapter after:

33 (1) notice of a hearing has been given as required by  
34 Section 3818.202; and

35 (2) the board holds a public hearing on the  
36 advisability of the service or improvement and the proposed  
37 assessments. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D) (part).)

38 Source Law

39 (D) Services and/or improvement projects may be  
40 financed under this Act after notice of the hearing has  
41 been given as required by this section and the board of

1 directors of the district holds a public hearing on the  
2 advisability of the improvements and/or services and  
3 the proposed assessments. . . .

4 Revised Law

5 Sec. 3818.202. NOTICE OF HEARING. (a) Except as provided  
6 by this section, notice of a hearing on financing improvement  
7 projects or services shall be given as provided by Section 375.115,  
8 Local Government Code.

9 (b) The final publication must be made:

10 (1) not later than the 15th day before the date of the  
11 hearing; and

12 (2) in a newspaper of general circulation in each  
13 county in which the district is located.

14 (c) Written notice required by Section 375.115(c), Local  
15 Government Code, must be made not later than the 15th day before the  
16 date of the hearing. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E)  
17 (part).)

18 Source Law

19 (E) Notice of the hearing shall be given in a  
20 newspaper of general circulation in the county or  
21 counties in which the district is located. The final  
22 publication must be at least 15 days before the date of  
23 the hearing. The notice shall include the following  
24 information:

- 25 (i) the time and place of the hearing;
- 26 (ii) the general nature of the proposed  
27 improvement project and/or services;
- 28 (iii) the estimated cost of the  
29 improvement, which may include interest during  
30 construction and financing costs associated  
31 therewith; and
- 32 (iv) the proposed method of assessment.

33 (1) Written notice containing the  
34 information required in this section shall be mailed  
35 (registered or certified with a return receipt  
36 requested) at least 15 days before the hearing to each  
37 property owner in the district proposed to be assessed  
38 to the current address of the subject property as  
39 reflected on the tax rolls.

40 . . . .

41 Revisor's Note

42 Section 7(E), Chapter 1026, Acts of the 70th  
43 Legislature, Regular Session, 1987, provides specific  
44 requirements for giving notice of a hearing on  
45 financing improvement projects or services. The  
46 revised law substitutes a reference to Section

1 375.115, Local Government Code, because Section 7(E)  
2 is substantively the same as that section, except that  
3 Section 375.115 requires 30 days' notice and Section  
4 7(E) requires only 15 days' notice. The revised law is  
5 drafted to reflect that difference.

6 Revised Law

7 Sec. 3818.203. HEARING PROCEDURE. (a) The board may  
8 appoint a director, a district employee, or any other person as  
9 hearings examiner to conduct hearings required by the board.

10 (b) A hearing under this subchapter shall be conducted in  
11 the manner provided for contested cases under Chapter 2001,  
12 Government Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E)  
13 (part).)

14 Source Law

15 (E) . . .  
16 (4) The board may appoint a member of  
17 the board, a district employee, or any other person as  
18 hearings examiner to conduct hearings as required by  
19 the board. The hearing shall be conducted as provided  
20 by the Administrative Procedure and Texas Register Act  
21 (Article 6252-13a, Vernon's Texas Civil Statutes) for  
22 contested cases. . . .

23 Revisor's Note

24 (1) Section 7(E)(4), Chapter 1026, Acts of the  
25 70th Legislature, Regular Session, 1987, refers to the  
26 provisions for contested cases in the Administrative  
27 Procedure and Texas Register Act (Article 6252-13a,  
28 Vernon's Texas Civil Statutes). Those provisions were  
29 codified in 1993 as part of Chapter 2001, Government  
30 Code. The revised law is drafted accordingly.

31 (2) Section 7(E)(2), Chapter 1026, Acts of the  
32 70th Legislature, Regular Session, 1987, provides  
33 certain hearing procedures. The revised law omits  
34 this provision because it is substantively the same as  
35 Section 375.116, Local Government Code. The omitted  
36 law reads:

37 (E) . . .  
38 (2) The hearing may be  
39 adjourned from time to time until the board

1 of directors makes findings by resolution  
2 or order as to the advisability of the  
3 improvement project and/or services, the  
4 nature of the improvement and/or services,  
5 the estimated cost, the area benefited, and  
6 the method of assessment.  
7 . . .

8 Revised Law

9 Sec. 3818.204. PETITION REQUIRED FOR FINANCING SERVICES AND  
10 IMPROVEMENT PROJECTS. (a) The board may not finance a service or  
11 improvement project under this chapter unless a written petition  
12 requesting that service or improvement has been filed with the  
13 board.

14 (b) The petition must be signed by:

15 (1) the owners of 50 percent of the assessed value of  
16 the property in the district based on the most recent certified  
17 county tax appraisal roll; or

18 (2) the owners of 50 percent or more of the surface  
19 area of the district, excluding roads, streets, highways, and  
20 utility rights-of-way, based on the most recent certified county  
21 tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D)  
22 (part).)

23 Source Law

24 (D) . . . The board of directors of the district  
25 may not finance services and/or improvement projects  
26 under this Act unless a written petition requesting  
27 such improvements and/or services signed by (1) the  
28 owners of 50 percent of the assessed value of the  
29 property in the district based on the most recent  
30 certified county property tax rolls, or (2) the  
31 owners of 50 percent or more of the surface area of the  
32 district (excluding roads, streets, highways, and  
33 utility rights-of-way) based on the most recent  
34 certified county property tax rolls has been filed  
35 with the board of directors.

36 Revisor's Note

37 Section 7(D), Chapter 1026, Acts of the 70th  
38 Legislature, Regular Session, 1987, refers to the  
39 "county property tax rolls." Throughout this chapter,  
40 the revised law substitutes a reference to the "county  
41 tax appraisal roll" to conform to the terminology of  
42 Title 1, Tax Code, including Section 26.01 of that  
43 code, requiring the chief appraiser of an appraisal

1 district to certify to the tax assessor of each taxing  
2 unit that has property in the appraisal district an  
3 appraisal roll that lists the properties taxable by  
4 that taxing unit and the value of those properties.

5 Revised Law

6 Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
7 ASSESSMENTS, AND IMPACT FEES. (a) The district may impose an ad  
8 valorem tax, assessment, or impact fee in accordance with Chapter  
9 375, Local Government Code, to provide an improvement or service  
10 for a project or activity the district may acquire, construct,  
11 improve, or provide under this chapter if a written petition  
12 requesting that improvement or service has been filed with the  
13 board.

14 (b) The petition must be signed by:

15 (1) the owners of 50 percent or more of the assessed  
16 value of the property in the district as determined from the most  
17 recent certified county tax appraisal roll; or

18 (2) 25 owners of property in the district, if more than  
19 25 persons own property in the district as determined by the most  
20 recent certified county tax appraisal roll. (Acts 70th Leg., R.S.,  
21 Ch. 1026, Sec. 7A(A).)

22 Source Law

23 Sec. 7A. (A) The district may impose an ad  
24 valorem tax, assessment, or impact fee in accordance  
25 with Chapter 375, Local Government Code, to provide  
26 improvements or services for a project or activity the  
27 district is authorized to acquire, construct, improve,  
28 or provide under this Act, if a written petition has  
29 been filed with the board of directors, requesting  
30 those improvements or services, signed by:

31 (1) the owners of 50 percent or more of the  
32 assessed value of the property in the district as  
33 determined from the most recent certified county  
34 property tax rolls; or

35 (2) 25 owners of property in the district,  
36 if there are more than 25 persons who own property in  
37 the district as determined by the most recent  
38 certified county property tax rolls.

39 Revised Law

40 Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND  
41 IMPACT FEES. The district may not impose an assessment or impact  
42 fee on the property, including the equipment, rights-of-way,



1 facilities, or improvements of:

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

4 (2) a gas utility as defined by Section 101.003 or  
5 121.001, Utilities Code;

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

8 (4) a cable system as defined by Section 602,  
9 Communications Act of 1934 (47 U.S.C. Section 522), as amended.  
10 (Acts 70th Leg., R.S., Ch. 1026, Sec. 7A(B).)

11 Source Law

12 (B) The district may not impose an impact fee or  
13 assessment on the property, equipment, rights-of-way,  
14 facilities, or improvements of:

15 (1) an electric utility or a power  
16 generation company, as those terms are defined by  
17 Section 31.002, Utilities Code; or

18 (2) a gas utility, as that term is defined  
19 by Section 101.003 or 121.001, Utilities Code; or

20 (3) a telecommunications provider, as that  
21 term is defined by Section 51.002(10), Utilities Code;  
22 or

23 (4) a cable system, as that term is defined  
24 by the Communications Act of 1934, as amended, Title  
25 VI, Sec. 602, Subsection 7.

26 Revised Law

27 Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON. (a)  
28 Except as provided by Subsection (b), the district must obtain the  
29 approval of the director of public works of the City of Houston for  
30 the issuance of bonds for any improvement project.

31 (b) If the district obtains approval from the governing body  
32 of the City of Houston of a capital improvements budget for a period  
33 not to exceed five years, the district may finance the capital  
34 improvements and issue bonds specified in the budget without  
35 further approval from the City of Houston. (Acts 70th Leg., R.S.,  
36 Ch. 1026, Sec. 9 (part).)

37 Source Law

38 Sec. 9. The district must obtain the approval of  
39 the director of public works of the issuance of bonds  
40 for any improvement project. In lieu of approval of  
41 bonds by the director of public works of the city of  
42 Houston, the district may obtain approval from the  
43 governing body of the city of Houston of a capital  
44 improvements budget, for a period not to exceed five

1 years. In the event the district obtains approval of a  
2 capital improvements budget, it may finance any  
3 capital improvements and issue bonds specified in the  
4 budget without further approval from the city of  
5 Houston. . . .

6 Revisor's Note

7 Section 9, Chapter 1026, Acts of the 70th  
8 Legislature, Regular Session, 1987, provides in part  
9 that unless the City of Houston dissolves the  
10 district, the city is not required to pay any bonds,  
11 notes, or other obligations of the district. The  
12 revised law omits this provision because it duplicates  
13 Sections 375.207(d) and 375.263, Local Government  
14 Code. The omitted law reads:

15 Sec. 9. . . . The city of Houston  
16 shall never be obligated to pay any bonds,  
17 notes, or other obligations of the  
18 district, except as provided by Subsection  
19 (C) of Section 15 of this Act.

20 Revised Law

21 Sec. 3818.208. PETITION REQUIRED FOR BOND ELECTION. The  
22 board may not call a bond election unless a written petition has  
23 been filed with the board that requests an election and is signed by  
24 the owners of:

25 (1) 50 percent or more of the assessed value of the  
26 property in the district based on the most recent certified county  
27 tax appraisal roll; or

28 (2) 50 percent or more of the surface area of the  
29 district, excluding roads, streets, highways, and utility  
30 rights-of-way, based on the most recent certified county tax  
31 appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 11(D).)

32 Source Law

33 (D) The board of directors may not call a bond  
34 election unless a written petition requesting such an  
35 election signed by the owners of 50 percent of the  
36 assessed value of the property in the district based on  
37 the most recent certified county property tax rolls at  
38 the time has been filed with the board of directors or  
39 the owners of 50 percent or more of the surface area of  
40 the district (excluding roads, streets, highways, and  
41 utility rights-of-way) based on the most recent  
42 certified county property tax rolls.

1 Revised Law

2 Sec. 3818.209. ASSESSMENTS AND BOND LIMIT. The board may  
3 not issue bonds or impose assessments that exceed 10 percent of the  
4 assessed value of the property in the district based on the most  
5 recent certified county tax appraisal roll. (Acts 70th Leg., R.S.,  
6 Ch. 1026, Sec. 12(B).)

7 Source Law

8 (B) The board of directors of the district may  
9 not issue bonds or levy assessments in excess of 10  
10 percent of the assessed value of the property in the  
11 district based on the most recent certified county  
12 property tax rolls at the time.

13 Revised Law

14 Sec. 3818.210. APPEAL OF ASSESSMENT. A property owner may  
15 appeal the board's decision on an assessment to a district court  
16 that has jurisdiction in the district by filing notice of the appeal  
17 with the court not later than the 30th day after the date of the  
18 board's final decision. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E)  
19 (part).)

20 Source Law

21 (E) . . .  
22 (5) . . . The property owner may  
23 appeal the board's decision on the assessment to a  
24 district court having jurisdiction in the improvement  
25 district by filing notice of the appeal with the  
26 district court not later than the 30th day after the  
27 date of the board's final decision with respect to the  
28 assessment. . . .

29 Revised Law

30 Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS. Payment of  
31 assessments by exempt jurisdictions, if any, shall be established  
32 by contract. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(G).)

33 Source Law

34 (G) Payment of assessments by exempt  
35 jurisdictions, if any, shall be established by  
36 contract.

37 Revisor's Note  
38 (End of Subchapter)

39 (1) Sections 7(A) and (B), Chapter 1026, Acts of  
40 the 70th Legislature, Regular Session, 1987, authorize  
41 the board to undertake certain improvement projects or

1 services and to impose an assessment to pay the cost of  
2 the project or service. Section 7(C), Chapter 1026,  
3 Acts of the 70th Legislature, Regular Session, 1987,  
4 provides that an improvement project on two or more  
5 streets or two or more types of projects may be  
6 considered as one project. The revised law omits these  
7 provisions because they duplicate provisions of  
8 Sections 375.094, 375.111, and 375.112, Local  
9 Government Code. The omitted law reads:

10 Sec. 7. (A) In addition to the  
11 powers set forth in Section 6 of this Act,  
12 the board of directors of the district may  
13 undertake improvement projects and/or  
14 services that confer a special benefit on a  
15 definable part of the district, which may be  
16 the entire district or any part thereof.  
17 The board of directors may levy and collect  
18 special assessments on property in the  
19 area, based on the benefit conferred by the  
20 improvement project and/or services, to pay  
21 all or part of its cost. . . .

22 (B) An improvement project may  
23 include the construction, acquisition,  
24 improvement, relocation, operation, or  
25 maintenance of:

26 (1) landscaping; lighting,  
27 banners and signs; streets or sidewalks;  
28 pedestrian skywalks, crosswalks, or  
29 tunnels; drainage improvements; pedestrian  
30 malls; solid waste, water, sewer or power  
31 facilities, including, but not limited to,  
32 electrical, gas, steam, cogeneration, and  
33 chilled water facilities; parks, lakes,  
34 recreation, and scenic areas; fountains;  
35 articles of art; off-street parking  
36 facilities, bus terminals, heliports,  
37 mass-transit and people-mover systems; and  
38 the cost of any demolition in connection  
39 with providing any such improvement  
40 project;

41 (2) other improvements similar  
42 to those described in Subdivision (1) of  
43 this subsection;

44 (3) the acquisition of real  
45 property or any interest therein in  
46 connection with an authorized improvement  
47 in any manner authorized by Chapter 54 of  
48 the Water Code; . . .

49 (4) special supplemental  
50 services for improvement and promotion of  
51 the district, including but not limited to  
52 advertising, promotion, health and  
53 sanitation, public safety, security,  
54 business recruitment, development,  
55 elimination of traffic congestion,  
56 recreation, and cultural enhancements; and

57 (5) expenses incurred in the  
58 establishment, administration, and  
59 operation of the district.

1 (C) An improvement project on two or  
2 more streets or two or more types of  
3 improvements may be included in one  
4 proceeding and financed as one improvement  
5 project.

6 (2) Section 7(E)(3), Chapter 1026, Acts of the  
7 70th Legislature, Regular Session, 1987, provides that  
8 the area to be assessed may be the entire district or  
9 any part of the district. Section 7(E)(3) also  
10 provides that the area to be assessed may not include  
11 property outside of the original boundaries unless  
12 there is an additional hearing, preceded by the  
13 required notice. The revised law omits this provision  
14 because it duplicates Section 375.117, Local  
15 Government Code. The omitted law reads:

16 (E) . . .  
17 (3) The area of the  
18 district to be assessed according to the  
19 findings of the board of directors may be  
20 the entire district or any part thereof and  
21 may be less than the area proposed in the  
22 notice of the hearing. The area may not  
23 include any property not within the  
24 original proposed boundaries unless there  
25 is an additional hearing, preceded by the  
26 required notice.  
27 . . . .

28 (3) Section 7(E)(4), Chapter 1026, Acts of the  
29 70th Legislature, Regular Session, 1987, provides for  
30 the imposition of assessments. The revised law omits  
31 this provision because it duplicates Section 375.118,  
32 Local Government Code. The omitted law reads:

33 (E) . . .  
34 (4) . . . At the hearing  
35 on proposed assessments, at any adjournment  
36 of the hearing, or after consideration of  
37 the hearings examiner's report the board of  
38 directors shall hear and pass on all  
39 objections to each proposed assessment.  
40 The board directors may amend the proposed  
41 assessments as to any parcel. When all  
42 objections have been heard and action has  
43 been taken with regard to them, the board of  
44 directors by order or resolution shall levy  
45 the assessments as special assessments on  
46 the property. The board of directors by  
47 order or resolution shall specify the  
48 method of payment of the assessments and may  
49 provide that they be payable in periodic  
50 installments, including interest, which  
51 shall meet annual costs for services and  
52 improvements as set forth in Subsection (F)

1 of this section and shall continue for the  
2 number of years required to retire  
3 indebtedness or pay for the services to be  
4 rendered. The board may provide interest  
5 charges or penalties for untimely payment  
6 and may also levy any amount to cover  
7 delinquencies and expenses of collection.  
8 The board of directors shall also set forth  
9 a procedure for the distribution or use of  
10 any assessments, if any, in excess of those  
11 needed to finance the improvement project  
12 for which such assessments were collected.  
13 If assessments are levied for more than one  
14 service or improvement project, the board  
15 may provide that an assessment collected  
16 for one service or improvement project may  
17 be borrowed to be used for another service  
18 or improvement project.

19 . . . .

20 (4) Section 7(F), Chapter 1026, Acts of the 70th  
21 Legislature, Regular Session, 1987, provides for the  
22 apportionment of the cost of an improvement project or  
23 service. The revised law omits this provision because  
24 it duplicates Section 375.119, Local Government Code.  
25 The omitted law reads:

26 (F) The portion of the cost of an  
27 improvement project and/or services to be  
28 assessed against the property in the  
29 district shall be apportioned by the board  
30 of directors based on the special benefits  
31 accruing to the property because of the  
32 improvement and/or services. The cost may  
33 be assessed equally per front foot or per  
34 square foot of land area against all  
35 property within the district; it may be  
36 assessed against property according to the  
37 value of the property as determined by the  
38 board of directors, with or without regard  
39 to structures or other improvements on the  
40 property; or it may be assessed on the basis  
41 of any other reasonable assessment plan  
42 that results in imposing equal shares of the  
43 cost on property similarly benefited.

44 (5) Sections 7(E)(5) and 7(K), Chapter 1026,  
45 Acts of the 70th Legislature, Regular Session, 1987,  
46 provide for the appeal of an assessment by a property  
47 owner and reassessment by the board. The revised law  
48 omits these provisions because they duplicate Section  
49 375.123, Local Government Code. The omitted law  
50 reads:

51 (E) . . . .  
52 (5) After adoption of an  
53 assessment, a property owner may appeal the  
54 assessment to the board. The property owner

1 must file a notice of appeal with the board  
2 not later than the 30th day after the date  
3 that the assessment is adopted. The board  
4 shall set a date to hear the appeal. . . .  
5 Failure to file either of the notices in the  
6 time required by this subsection results in  
7 a loss of the right to appeal the  
8 assessment.

9 (K) If an assessment against a parcel  
10 of land is set aside by a court of competent  
11 jurisdiction, found excessive by the board  
12 of directors, or determined to be invalid by  
13 the board of directors on the written advice  
14 of counsel, the board of directors may make  
15 a reassessment or new assessment as to the  
16 parcel.

17 (6) Section 7(H), Chapter 1026, Acts of the 70th  
18 Legislature, Regular Session, 1987, provides for the  
19 preparation of an assessment roll. The revised law  
20 omits this provision because it duplicates Section  
21 375.120, Local Government Code. The omitted law  
22 reads:

23 (H) When the total cost of an  
24 improvement and/or services is determined,  
25 the board of directors shall cause the  
26 assessments against each parcel of land  
27 within the district. In case of an  
28 assessment for services the board may levy  
29 an annual assessment that may be lower but  
30 not higher than the initial assessment. The  
31 board of directors shall also cause an  
32 assessment roll to be prepared showing the  
33 assessments against each property and the  
34 board's basis for the assessment. The  
35 assessment roll shall be filed with the  
36 secretary of the board or other officer who  
37 performs the function of secretary and be  
38 open for public inspection.

39 (7) Section 7(I), Chapter 1026, Acts of the 70th  
40 Legislature, Regular Session, 1987, provides for the  
41 interest on assessments and specifies the maximum  
42 interest rate. Section 7(I) also provides that an  
43 assessment is a lien against property. The revised law  
44 omits these provisions because they duplicate Section  
45 375.121, Local Government Code. The omitted law  
46 reads:

47 (I) All assessments bear interest at  
48 a rate specified by the board of directors,  
49 if any, which may not exceed the interest  
50 rate permitted by Chapter 3, Acts of the  
51 61st Legislature, Regular Session, 1969  
52 (Article 717k-2, Vernon's Texas Civil

1 Statutes). Any interest on the assessment  
2 between the effective date of the order or  
3 resolution levying the assessment and the  
4 date the first installment is payable shall  
5 be added to the first installment. The  
6 interest for one year on all unpaid  
7 installments shall be added to each  
8 subsequent installment until paid. An  
9 assessment or any reassessment and any  
10 interest and penalties thereon is a lien  
11 against the property until it is paid. The  
12 owner of any property assessed may pay the  
13 entire assessment against any lot or parcel  
14 with accrued interest to the date of the  
15 payment at any time.

16 (8) Section 7(J), Chapter 1026, Acts of the 70th  
17 Legislature, Regular Session, 1987, authorizes the  
18 board to make supplemental assessments. The revised  
19 law omits this provision because it duplicates Section  
20 375.122, Local Government Code. The omitted law  
21 reads:

22 (J) After notice and hearing in the  
23 manner required for original assessments,  
24 the board of directors may make  
25 supplemental assessments to correct  
26 omissions or mistakes in the assessment  
27 relating to the total cost of the  
28 improvement and/or services or to cover  
29 delinquencies or costs of collection.

30 (9) Sections 7(L), (M), and (N), Chapter 1026,  
31 Acts of the 70th Legislature, Regular Session, 1987,  
32 provide for the authorized payment of improvement  
33 project or service costs from various district  
34 resources. The revised law omits the provisions  
35 because they duplicate Section 375.181, Local  
36 Government Code. The omitted law reads:

37 (L) The cost of any improvement  
38 project and/or services (including interest  
39 during construction and costs of issuance)  
40 made under the authority of this Act may be  
41 paid from general or available funds, from  
42 assessments, or from the proceeds of bonds  
43 payable from taxes, revenues, assessments,  
44 grants, gifts, contracts, leases, or any  
45 combination thereof.

46 (M) During the progress of an  
47 improvement project and/or services the  
48 board of directors may issue temporary  
49 notes to pay the costs of the improvements  
50 and/or services and, on completion of the  
51 work, may issue bonds.

52 (N) The costs of more than one  
53 improvement and/or services may be paid  
54 from a single issue and sale of bonds



1 without other consolidation proceedings  
2 prior to the bond issue.

3 (10) Section 7(O), Chapter 1026, Acts of the  
4 70th Legislature, Regular Session, 1987, authorizes  
5 the board to issue general obligation and revenue  
6 bonds. The revised law omits this provision because it  
7 duplicates Section 375.201, Local Government Code.  
8 The omitted law reads:

9 (O) For the payment of all or part of  
10 the costs of an improvement project and/or  
11 services, the board of directors may issue  
12 bonds from time to time in one or more  
13 series to be payable from and secured by ad  
14 valorem taxes, assessments, revenues,  
15 grants, gifts, contracts, leases, or any  
16 combination thereof. Bonds may be liens on  
17 all or part of the revenue derived from  
18 improvements authorized under this Act,  
19 including installment payments of special  
20 assessments or from any other source  
21 pledged to their payment.

22 (11) Section 7(P), Chapter 1026, Acts of the  
23 70th Legislature, Regular Session, 1987, contains  
24 various provisions for the terms of district bonds.  
25 The revised law omits these provisions because they  
26 duplicate Section 375.202, Local Government Code. The  
27 omitted law reads:

28 (P) Bonds may be issued to mature  
29 serially or otherwise within not more than  
30 40 years from their date. Provision may be  
31 made for the subsequent issuance of  
32 additional parity bonds or subordinate lien  
33 bonds under any terms or conditions that may  
34 be set forth in the order or resolution  
35 authorizing the issuance of the bonds.

36 (12) Section 7(Q), Chapter 1026, Acts of the  
37 70th Legislature, Regular Session, 1987, provides that  
38 bonds issued under Section 7 may be issued registrable  
39 as to principal or interest. The revised law omits the  
40 provision because it duplicates Section 1201.024,  
41 Government Code. That section applies to bonds issued  
42 under this chapter by the application of Section  
43 1201.002, Government Code. The omitted law reads:

44 (Q) . . . The bonds may be issued  
45 registrable as to principal alone or as to  
46 both principal and interest, and . . . .

1           (13) Section 7(Q), Chapter 1026, Acts of the  
2           70th Legislature, Regular Session, 1987, provides that  
3           bonds may be issued under Section 7 in various forms.  
4           The revised law omits the provision because it  
5           duplicates general law. Section 1201.021, Government  
6           Code, provides that the governing body of an issuer may  
7           issue bonds in any denomination. Section 1201.022,  
8           Government Code, provides that a governmental entity  
9           may specify the terms under which a bond is issued.  
10          "Conditions" and "details" are included within the  
11          meaning of "terms." Section 1201.024, Government  
12          Code, provides that an issuer may specify the form of a  
13          bond it issues. Sections 1201.021, 1201.022, and  
14          1201.024, Government Code, apply to bonds issued by  
15          the district by application of Section 1201.002,  
16          Government Code. The omitted law reads:

17                   (Q) [The bonds] . . . may be issued  
18                   in such form, denominations, and manner,  
19                   and under such terms, conditions, and  
20                   details, and . . . .

21          (14) Section 7(Q), Chapter 1026, Acts of the  
22          70th Legislature, Regular Session, 1987, provides that  
23          all bonds and interest coupons are negotiable  
24          instruments that shall be executed. The revised law  
25          omits this provision because it duplicates Section  
26          1201.041, Government Code, which provides that all  
27          public securities are negotiable instruments. Section  
28          1201.041, Government Code, applies to bonds issued  
29          under this chapter by application of Section 1201.002,  
30          Government Code. The revised law omits the reference  
31          to "interest coupons" because the coupons are issued  
32          as part of the bonds. The reference to the requirement  
33          that the bonds be "executed" is omitted because bonds  
34          issued are executed. The omitted law reads:

35                   (Q) The bonds and any interest  
36                   coupons appertaining thereto are negotiable  
37                   instruments within the meaning and for all

1 purposes of the Business & Commerce Code.  
2 . . . [and] shall be executed, and . . . .

3 (15) Section 7(Q), Chapter 1026, Acts of the  
4 70th Legislature, Regular Session, 1987, provides that  
5 bonds may be redeemed before maturity. The revised law  
6 omits the provision because Section 1201.021,  
7 Government Code, provides that a public security may  
8 be redeemed before maturity. That section applies to  
9 bonds issued under this chapter by the application of  
10 Section 1201.002, Government Code. The omitted law  
11 reads:

12 (Q) The bonds . . . may be made  
13 redeemable prior to maturity, and . . . .

14 (16) Section 7(Q), Chapter 1026, Acts of the  
15 70th Legislature, Regular Session, 1987, provides how  
16 bonds may be sold and priced, including interest. The  
17 revised law omits the provision because it duplicates  
18 Section 1204.006(b), Government Code. That section  
19 provides that an issuer may sell public securities at  
20 any price and bearing interest at any rate or rates and  
21 applies to bonds issued under this chapter by  
22 application of Section 1204.001, Government Code. The  
23 omitted law reads:

24 (Q) The bonds . . . may be sold in  
25 such manner, at such price, and under such  
26 terms, and said bonds shall bear interest at  
27 such rates, all as shall be determined and  
28 provided in the order or resolution  
29 authorizing the issuance of the bonds.  
30 . . .

31 (17) The revised law omits as unnecessary that  
32 part of Section 7(Q), Chapter 1026, Acts of the 70th  
33 Legislature, Regular Session, 1987, that provides that  
34 Chapter 503, Acts of the 54th Legislature, Regular  
35 Session, 1955 (Article 717k, Vernon's Texas Civil  
36 Statutes), Chapter 3, Acts of the 61st Legislature,  
37 Regular Session, 1969 (Article 717k-2, Vernon's Texas  
38 Civil Statutes), the Bond Procedures Act of 1981  
39 (Article 717k-6, Vernon's Texas Civil Statutes), and

1 Chapter 656, Acts of the 68th Legislature, Regular  
2 Session, 1983 (Article 717q, Vernon's Texas Civil  
3 Statutes), apply to bonds issued under that chapter.  
4 Articles 717k, 717k-2, 717k-6, and 717q were revised  
5 in 1999 as Chapters 1207, 1204, 1201, and 1371,  
6 Government Code. By application of Sections 1207.001,  
7 1204.001, 1201.002, and 1371.001, Government Code,  
8 those chapters apply to bonds issued under Chapter  
9 1026, Acts of the 70th Legislature, Regular Session,  
10 1987. It is unnecessary to include an express  
11 statement of the applicability of those chapters in  
12 this subchapter. The omitted law reads:

13 (Q) . . . Bonds may bear interest and  
14 may be issued in accordance with the  
15 provisions of Chapter 503, Acts of the 54th  
16 Legislature, Regular Session, 1955 (Article  
17 717k, Vernon's Texas Civil Statutes),  
18 Chapter 3, Acts of the 61st Legislature,  
19 Regular Session, 1969 (Article 717k-2,  
20 Vernon's Texas Civil Statutes), the Bond  
21 Procedures Act of 1981 (Article 717k-6,  
22 Vernon's Texas Civil Statutes), and Chapter  
23 656, Acts of the 68th Legislature, Regular  
24 Session, 1983 (Article 717q, Vernon's Texas  
25 Civil Statutes).

26 (18) Section 7(R), Chapter 1026, Acts of the  
27 70th Legislature, Regular Session, 1987, provides for  
28 the use of bond proceeds. The revised law omits this  
29 provision because it duplicates Section 375.202(e),  
30 Local Government Code. The omitted law reads:

31 (R) If so provided in the bond order  
32 or resolution, the proceeds from the sale of  
33 the bonds may be used for paying interest on  
34 the bonds during and after the period of the  
35 acquisition or construction of any  
36 improvement to be provided through the  
37 issuance of the bonds, for creating a  
38 reserve fund for the payment of the  
39 principal of and interest on the bonds, and  
40 for creating any other funds. The proceeds  
41 of the bonds may be placed on time deposit  
42 or invested, until needed, all to the  
43 extent, in such securities and in the manner  
44 provided, in the bond order or resolution.

45 (19) Section 7(S), Chapter 1026, Acts of the  
46 70th Legislature, Regular Session, 1987, provides for  
47 payment of bonds from income or assessments from

1 improvements. The revised law omits this provision  
2 because it duplicates Section 375.203(a), Local  
3 Government Code. The omitted law reads:

4 (S) The board of directors may pledge  
5 all or any part of the income or assessments  
6 from improvements financed under this Act  
7 or from any other source, to the payment of  
8 the bonds, including the payment of  
9 principal, interest, and any other amounts  
10 required or permitted in connection with  
11 the bonds. The pledged income shall be  
12 fixed and collected in amounts that will be  
13 at least sufficient, together with any  
14 other pledged resources, to provide for all  
15 payments of principal, interest, and any  
16 other amounts required in connection with  
17 the bonds, and, to the extent required by  
18 the order or resolution authorizing the  
19 issuance of the bonds, to provide for the  
20 payment of expenses in connection with the  
21 bonds, and for the payment of operation,  
22 maintenance, and other expenses in  
23 connection with the improvement projects  
24 authorized under this Act.

25 (20) Section 7(T), Chapter 1026, Acts of the  
26 70th Legislature, Regular Session, 1987, states the  
27 forms of encumbrances that may be used to secure the  
28 bonds. The revised law omits this provision because it  
29 duplicates Section 375.203(b), Local Government Code.  
30 The omitted law reads:

31 (T) The bonds may be additionally  
32 secured by mortgages or deeds of trust on  
33 any real property relating to the  
34 facilities authorized under this Act owned  
35 or to be acquired by the district and by  
36 chattel mortgages, liens, or security  
37 interests on any personal property  
38 appurtenant to that real property. The  
39 board of directors may authorize the  
40 execution of trust indentures, mortgages,  
41 deeds of trust, or other form of  
42 encumbrances to evidence the indebtedness.

43 (21) Section 7(U), Chapter 1026, Acts of the  
44 70th Legislature, Regular Session, 1987, provides for  
45 payment from grants or donations. The revised law  
46 omits this provision because it duplicates Section  
47 375.203(c), Local Government Code. The omitted law  
48 reads:

49 (U) The board of directors may also  
50 pledge to the payment of the bonds all or  
51 any part of any grant, donation, revenues,

1 or income received or to be received from  
2 the United States government or any other  
3 public or private source, whether pursuant  
4 to an agreement or otherwise.

5 (22) Section 7(V), Chapter 1026, Acts of the  
6 70th Legislature, Regular Session, 1987, authorizes  
7 the district to issue refunding bonds for bonds issued  
8 under that section. The revised law omits the  
9 provision because it has been superseded by other law.  
10 In 1999 Chapter 1207, Government Code, codified  
11 V.A.C.S. Article 717k, enacted by Chapter 503, Acts of  
12 the 54th Legislature, Regular Session, 1955, and  
13 amended by Chapter 783, Acts of the 61st Legislature,  
14 Regular Session, 1969, and V.A.C.S. Article 717k-3,  
15 enacted by Chapter 784, Acts of the 61st Legislature,  
16 Regular Session, 1969. Chapter 1207 applies to the  
17 district by application of Sections 1207.001 and  
18 1207.002 and contains general authority for an issuer  
19 to issue refunding securities. Section 7(V) also  
20 provides procedures applicable to refunding bonds that  
21 are superseded by the procedures under Chapter 1207.  
22 The omitted law reads:

23 (V) Any bonds issued pursuant to this  
24 Act may be refunded or otherwise refinanced  
25 by the issuance of refunding bonds for that  
26 purpose, under any terms or conditions, as  
27 are determined by order or resolution of the  
28 governing body of the district. Refunding  
29 bonds may be issued in amounts necessary to  
30 pay the principal, interest, and redemption  
31 premium, if any, of bonds to be refunded, at  
32 maturity or on any redemption date, and to  
33 provide for the payment of all costs  
34 incurred in connection therewith, and such  
35 refunding bonds shall be issued in the  
36 manner provided in this Act for other bonds.

37 (23) Section 7(W), Chapter 1026, Acts of the  
38 70th Legislature, Regular Session, 1987, requires the  
39 district to deliver bonds it issues to the attorney  
40 general for examination and approval and provides that  
41 after approval the bonds shall be registered with the  
42 comptroller. Section 7(W) also provides that after  
43 approval and registration, the bonds are

1           incontestable. The revised law omits these provisions  
2           as superseded by Chapter 1202, Government Code  
3           (enacted as Article 3, Chapter 53, Acts of the 70th  
4           Legislature, 2nd Called Session, 1987). Section  
5           1202.003(a), Government Code, requires bonds to be  
6           submitted to the attorney general. Section  
7           1202.003(b), Government Code, provides for approval of  
8           the bonds by the attorney general and requires the  
9           attorney general to submit the approved bonds to the  
10          comptroller for registration. Section 1202.005,  
11          Government Code, requires registration of the bonds by  
12          the comptroller. Section 1202.006, Government Code,  
13          provides that after approval and registration, the  
14          bonds are incontestable and binding obligations.  
15          Chapter 1202, Government Code, applies to bonds issued  
16          under this chapter by application of Section 1202.001,  
17          Government Code. The omitted law reads:

18                   (W) All bonds of the district and the  
19                   appropriate proceedings authorizing their  
20                   issuance shall be submitted to the attorney  
21                   general for examination. . . . If he finds  
22                   that the bonds have been authorized and any  
23                   assessment, contract, or lease has been  
24                   made in accordance with law, he shall  
25                   approve the bonds and the assessment,  
26                   contract, or lease, and thereupon the bonds  
27                   shall be registered by the comptroller of  
28                   public accounts. After approval and  
29                   registration the bonds and any assessment,  
30                   contract, or lease relating to them are  
31                   incontestable in any court or other forum  
32                   for any reason and are valid and binding  
33                   obligations for all purposes in accordance  
34                   with their terms.

35           (24) Section 7(W), Chapter 1026, Acts of the  
36           70th Legislature, Regular Session, 1987, requires the  
37           district to submit certain documents to the attorney  
38           general if the district bonds are secured by a pledge  
39           of certain types of income. The revised law omits that  
40           provision because it duplicates Section 375.205, Local  
41           Government Code. The omitted law reads:

42                   (W) . . . If the bonds recite that  
43                   they are secured by a pledge of assessments,

1 revenues, or rentals from a contract, or  
2 lease, a copy of the assessment procedures,  
3 contract, or lease and the proceedings  
4 relating to it shall be submitted to the  
5 attorney general also. . . .

6 (25) Section 7(X), Chapter 1026, Acts of the  
7 70th Legislature, Regular Session, 1987, provides that  
8 bonds are authorized investments for certain entities.  
9 The revised law omits that provision because it  
10 duplicates Section 375.206, Local Government Code.

11 The omitted law reads:

12 (X) All bonds of the district are  
13 legal and authorized investments for all  
14 banks, trust companies, building and loan  
15 associations, savings and loan  
16 associations, insurance companies of all  
17 kinds and types, fiduciaries, trustees, and  
18 guardians, and for all interest and sinking  
19 funds and other public funds of the state  
20 and all agencies, subdivisions, and  
21 instrumentalities of the state, including  
22 all counties, cities, towns, villages,  
23 school districts, and all other kinds and  
24 types of districts, public agencies, and  
25 bodies politic. . . .

26 (26) Section 7(X), Chapter 1026, Acts of the  
27 70th Legislature, Regular Session, 1987, provides that  
28 bonds issued under that chapter may secure deposits of  
29 public funds of the state and political subdivisions.  
30 The revised law omits the provision as impliedly  
31 repealed by Section 404.0221, Government Code (enacted  
32 in 1995), which lists eligible collateral for the  
33 comptroller's deposits of state funds, and by Chapter  
34 2257, Government Code (enacted in 1989 as Article  
35 2529d, Vernon's Texas Civil Statutes), which governs  
36 eligible collateral for deposits of funds of other  
37 public agencies, including political subdivisions.

38 The omitted law reads:

39 (X) . . . The bonds also are  
40 eligible and lawful security for all  
41 deposits of public counties, cities, towns,  
42 villages, school districts, and all other  
43 kinds and types of districts, public  
44 agencies, and bodies politic, to the extent  
45 of the market value of the bonds, when  
46 accompanied by any unmatured interest  
47 coupons appurtenant thereto.



1           (27) Section 11(E), Chapter 1026, Acts of the  
2           70th Legislature, Regular Session, 1987, requires an  
3           election to approve the issuance of bonds payable from  
4           taxes or assessments and authorizes without an  
5           election the issuance of bonds payable from other  
6           sources. The revised law omits this provision because  
7           it duplicates Section 375.244, Local Government Code.  
8           The omitted law reads:

9                   (E) Bonds payable in whole or in part  
10                  from taxes or assessments shall not be  
11                  issued unless approved at an election held  
12                  for such purpose by a majority of the  
13                  qualified voters in the district voting in  
14                  the election or such larger percentage as  
15                  may be required by the constitution. Bonds  
16                  payable from other sources may be issued by  
17                  the board without their approval at an  
18                  election.

19           [Sections 3818.212-3818.250 reserved for expansion]

#### 20                                   SUBCHAPTER F. DISSOLUTION

##### 21   Revised Law

22           Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION.  
23           Subchapter M, Chapter 375, Local Government Code, applies to the  
24           district except that in determining the percentage of surface area  
25           under Section 375.262(2), Local Government Code, other public areas  
26           and other property exempt from assessment under Sections 375.161,  
27           375.163, and 375.164 are not excluded. (Acts 70th Leg., R.S., Ch.  
28           1026, Sec. 15(B) (part).)

##### 29   Source Law

30                   (B) The board of directors shall dissolve the  
31                   district upon written petition filed with the board by  
32                   . . . the owners of 75 percent or more of the surface  
33                   area of the district (excluding roads, streets,  
34                   highways, and utility rights-of-way) based on the most  
35                   recent certified county property tax rolls; . . .

##### 36   Revisor's Note

37                   Section 15, Chapter 1026, Acts of the 70th  
38                   Legislature, Regular Session, 1987, provides the  
39                   dissolution procedures for the district. Except for  
40                   one substantive difference, these procedures  
41                   duplicate the procedures contained in Subchapter M,

1 Chapter 375, Local Government Code. The revised law  
2 omits the duplicate law and substitutes a  
3 cross-reference to Subchapter M, Chapter 375, Local  
4 Government Code. The revised law also clarifies the  
5 substantive difference between the source law and  
6 Section 375.262(2), Local Government Code. Section  
7 375.262(2), in determining the 75 percent or more of  
8 surface area of the district, excludes from the  
9 calculation "other public areas, and other property  
10 exempt from assessment under Sections 375.161,  
11 375.163, and 375.164." The source law does not exclude  
12 these areas. The revised law is drafted to reflect  
13 this difference. The omitted law reads:

14 Sec. 15. (A) The board of directors  
15 of the district may elect by majority vote  
16 to dissolve the district at any time;  
17 provided, however, the district may not be  
18 dissolved by the board of directors if the  
19 district has any outstanding bonded  
20 indebtedness until such bonded indebtedness  
21 has been repaid or defeased in accordance  
22 with the order or resolution authorizing  
23 the issuance of the bonds.

24 (B) [The board of directors shall  
25 dissolve the district upon written petition  
26 filed with the board by] the owners of 75  
27 percent of the assessed value of the  
28 property in the district based on the most  
29 recent certified county property tax rolls  
30 at the time or . . . ; provided, however,  
31 the district may not be dissolved by the  
32 board of directors if the district has any  
33 outstanding bonded indebtedness until such  
34 bonded indebtedness has been repaid or  
35 defeased in accordance with the order or  
36 resolution authorizing the issuance of the  
37 bonds.

38 (C) The governing body of the city of  
39 Houston, Texas shall be authorized, by a  
40 vote of not less than two-thirds of the  
41 entire membership, to adopt an ordinance  
42 dissolving the district. Upon the adoption  
43 of such an ordinance the district shall be  
44 dissolved, and, in accordance with Chapter  
45 128, Acts of the 50th Legislature, 1947  
46 (Article 1182c-1, Vernon's Texas Civil  
47 Statutes), the city of Houston, Texas shall  
48 (1) succeed to the property and assets of  
49 the district; and (2) assume all debts,  
50 obligations and liabilities of the  
51 district.

1 Revisor's Note  
2 (End of Chapter)

3 (1) Section 6(B), Chapter 1026, Acts of the 70th  
4 Legislature, Regular Session, 1987, provides that the  
5 act prevails over general law in case of a conflict.  
6 The revised law omits the provision because it  
7 duplicates Section 311.026, Government Code (Code  
8 Construction Act). The omitted law reads:

9 (B) If any provision of the general  
10 law is in conflict or inconsistent with this  
11 Act, this Act prevails. . . .

12 (2) Section 6(B), Chapter 1026, Acts of the 70th  
13 Legislature, Regular Session, 1987, refers to the  
14 adoption and incorporation by reference of certain  
15 language. The revised law omits the language as  
16 unnecessary because it is not necessary to repeat  
17 authority available under applicable laws by "adopting  
18 and incorporating by reference." The omitted law  
19 reads:

20 (B) . . . Any general law not in  
21 conflict or inconsistent with this Act is  
22 adopted and incorporated by reference.

23 (3) Sections 11(A) and (B), Chapter 1026, Acts  
24 of the 70th Legislature, Regular Session, 1987, refer  
25 to an election to confirm the establishment of the  
26 district and related provisions. The revised law  
27 omits these provisions as executed because the  
28 establishment of the district was confirmed at an  
29 election held on May 21, 1988. The omitted law reads:

30 Sec. 11. (A) An election shall be  
31 called and held to confirm establishment of  
32 the district as provided by Chapter 54,  
33 Water Code. In the event a majority of the  
34 votes cast at a confirmation election are  
35 against the creation of the district, the  
36 board of directors of the district shall not  
37 call another confirmation election for six  
38 months after the date the former  
39 confirmation election is held. Prior to a  
40 successful confirmation election the  
41 district may not issue bonds or levy taxes  
42 or assessments; however, the district has  
43 the power to carry on such other business as  
44 the board of directors may determine.

45 (B) A bond election, maintenance tax

1 election, and any other election held  
2 within the district may be held at the same  
3 time and in conjunction with a confirmation  
4 election.

5 (4) Section 12(A), Chapter 1026, Acts of the  
6 70th Legislature, Regular Session, 1987, requires the  
7 district to obtain the approval of the Texas  
8 Commission on Environmental Quality before issuing  
9 certain bonds. The revised law omits this provision  
10 because it duplicates Section 375.208, Local  
11 Government Code. The omitted law reads:

12 Sec. 12. (A) The district shall  
13 obtain approval of the Texas Water  
14 Commission in the event it issues bonds to  
15 provide water, sewage, or drainage  
16 facilities pursuant to Chapter 54, Water  
17 Code. Except as expressly provided by this  
18 section, the district is not subject to the  
19 jurisdiction of the commission.

20 (5) Section 16, Chapter 1026, Acts of the 70th  
21 Legislature, Regular Session, 1987, states that the  
22 notice, introduction, and passage of the act satisfied  
23 the requirements of the Texas Constitution, other laws  
24 of this state, and the rules and procedures of the  
25 legislature. Chapter 1026 also provides that the  
26 Texas Water Commission filed recommendations relating  
27 to the act. The revised law omits this provision as  
28 executed. The omitted law reads:

29 Sec. 16. The legislature finds that  
30 proper and legal notice of the intention to  
31 introduce this Act, setting forth the  
32 general substance of this Act, has been  
33 published as provided by law, and the notice  
34 and a copy of this Act have been furnished  
35 to all persons, agencies, officials, or  
36 entities to which they are required to be  
37 furnished by the constitution and laws of  
38 this state, including the governor of  
39 Texas, who has submitted the notice and Act  
40 to the Texas Water Commission. Also the  
41 legislature finds that the Texas Water  
42 Commission has filed its recommendations  
43 relating to this Act with the governor,  
44 lieutenant governor, and speaker of the  
45 house of representatives within the  
46 required time. The general law relating to  
47 consent by political subdivisions to the  
48 creation of conservation and reclamation  
49 districts and the inclusion of land in those  
50 districts has been complied with, and all  
51 requirements of the constitution and laws

1 of this state and the rules and procedures  
2 of the legislature with respect to the  
3 notice, introduction, and passage of this  
4 Act have been fulfilled and accomplished.

5 (6) Section 17, Chapter 1026, Acts of the 70th  
6 Legislature, Regular Session, 1987, provides that the  
7 provisions of the act are severable. The revised law  
8 omits this section because it duplicates Section  
9 311.032, Government Code (Code Construction Act),  
10 providing for the severability of statutes. The  
11 omitted law reads:

12 Sec. 17. The provisions of this Act  
13 are severable. If any word, phrase, clause,  
14 sentence, section, provision, or part of  
15 this Act should be held to be invalid or  
16 unconstitutional, it shall not affect the  
17 validity of the remaining portions, and it  
18 is hereby declared to be the legislative  
19 intent that this Act would have been passed  
20 as to the remaining portions, regardless of  
21 the invalidity of any part.

22 (7) Section 6, Chapter 1453, Acts of the 77th  
23 Legislature, Regular Session, 2001, and Section 3,  
24 Chapter 10, Acts of the 78th Legislature, Regular  
25 Session, 2003, provide for the validation of  
26 governmental acts and proceedings of the Harris County  
27 Improvement District No. 1 and of the district's board  
28 that occurred before the effective date of those acts.  
29 The revised law omits these provisions as executed.  
30 Section 311.031(a)(2), Government Code (Code  
31 Construction Act), provides that the repeal of a  
32 statute does not affect any validation previously made  
33 under the statute. That section applies to the revised  
34 law. The omitted law reads:

35 [Acts 77th Leg., R.S., Ch. 1453]

36 Sec. 6. (a) The legislature  
37 validates and confirms all governmental  
38 acts and proceedings of Harris County  
39 Improvement District No. 1 and the  
40 district's board of directors that occurred  
41 before the effective date of this Act.

42 (b) This section does not apply to  
43 any matter that on the effective date of  
44 this Act:

45 (1) is involved in litigation,  
46 if the litigation ultimately results in the  
47 matter being held invalid by a final

1 judgment of a court of competent  
2 jurisdiction; or  
3 (2) has been held invalid by a  
4 court of competent jurisdiction.

5 [Acts 78th Leg., R.S., Ch. 10]

6 Sec. 3. (a) The legislature  
7 validates and confirms all governmental  
8 acts and proceedings of Harris County  
9 Improvement District No. 1 and the  
10 district's board of directors that occurred  
11 before the effective date of this Act.

12 (b) This section does not apply to  
13 any matter that on the effective date of  
14 this Act:

15 (1) is involved in litigation,  
16 if the litigation ultimately results in the  
17 matter being held invalid by a final  
18 judgment of a court of competent  
19 jurisdiction; or

20 (2) has been held invalid by a  
21 court of competent jurisdiction.

22 (8) Section 1, Chapter 10, Acts of the 78th  
23 Legislature, Regular Session, 2003, provides  
24 legislative findings relating to the Harris County  
25 Improvement District No. 1. The revised law omits  
26 these findings as executed. The omitted law reads:

27 Sec. 1. The legislature finds that:

28 (1) the area within the  
29 boundaries of Harris County Improvement  
30 District No. 1 is one of the state's most  
31 dynamic activity centers and is the  
32 location of numerous commercial, office,  
33 retail, and residential buildings;

34 (2) the area within the  
35 district is served with an inadequate  
36 public transportation system and has an  
37 inadequate system of streets and public  
38 parking facilities;

39 (3) residents, workers,  
40 visitors, customers, and other persons  
41 accessing the area within the district must  
42 primarily use motor vehicles, and such use  
43 places an undue burden on the street system  
44 in the district and results in severe  
45 congestion that retards mobility of persons  
46 and property and impairs the use of the  
47 district area as one of the state's primary  
48 economic and business centers;

49 (4) the absence of an adequate  
50 system of parking facilities, including  
51 park and ride facilities, discourages the  
52 use of public transportation and further  
53 aggravates vehicular congestion within the  
54 area;

55 (5) motor vehicles are  
56 generally powered by internal combustion  
57 engines that emit pollutants into the air,  
58 which results in dangers to the public  
59 health and welfare;

60 (6) the proliferation of the  
61 use of motor vehicles for passenger  
62 transportation within the district is

1 caused in substantial part by the absence of  
2 an adequate public transportation system  
3 and an adequate system or network of public  
4 parking facilities;

5 (7) provision of an adequate  
6 system of public parking facilities and  
7 public transit and transportation  
8 facilities will accomplish the public  
9 purposes of Section 52-a, Article III,  
10 Texas Constitution, by stimulating  
11 transportation and commerce within the area  
12 of the district and in the state and will  
13 serve the further public purpose of  
14 reducing the pollutants discharged into the  
15 air thus reducing the threat to the public  
16 health and welfare; and

17 (8) in order for the area within  
18 the district to have an adequate public  
19 transit system and an adequate system of  
20 public parking, it will be necessary for the  
21 district to be able to take advantage of all  
22 public and private funds and opportunities  
23 available and be empowered to contract with  
24 other public agencies and with private  
25 entities to jointly provide such  
26 facilities.

27 CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

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10                   [Sections 3819.109-3819.150 reserved for expansion]

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28                                   CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

29                                   SUBCHAPTER A. GENERAL PROVISIONS

30   Revised Law

31                   Sec. 3819.001.  DEFINITIONS.  In this chapter:

32                                   (1)  "Board" means the board of directors of the

33   district.

34                                   (2)  "District" means the Baybrook Management



1 District. (Acts 78th Leg., R.S., Ch. 784, Sec. 2.)

2 Source Law

3 Sec. 2. In this Act:

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

6 (2) "District" means the Baybrook  
7 Management District.

8 Revised Law

9 Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT. The Baybrook  
10 Management District is a special district created under Section 59,  
11 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 784,  
12 Sec. 1(a).)

13 Source Law

14 Sec. 1. (a) The Baybrook Management District is  
15 a special district created under Section 59, Article  
16 XVI, Texas Constitution.

17 Revised Law

18 Sec. 3819.003. PURPOSE; DECLARATION OF INTENT. (a) The  
19 creation of the district is essential to accomplish the purposes of  
20 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
21 Texas Constitution, and other public purposes stated in this  
22 chapter. By creating the district and in authorizing the City of  
23 Houston, Harris County, and other political subdivisions to  
24 contract with the district, the legislature has established a  
25 program to accomplish the public purposes set out in Section 52-a,  
26 Article III, Texas Constitution.

27 (b) The creation of the district is necessary to promote,  
28 develop, encourage, and maintain employment, commerce,  
29 transportation, housing, tourism, recreation, the arts,  
30 entertainment, economic development, safety, and the public  
31 welfare in the area of the district.

32 (c) This chapter and the creation of the district may not be  
33 interpreted to relieve Harris County or the City of Houston from  
34 providing the level of services provided, as of June 20, 2003, to  
35 the area in the district. The district is created to supplement and  
36 not to supplant the county or city services provided in the area in  
37 the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 3.)

1 Source Law

2 Sec. 3. (a) The creation of the district is  
3 essential to accomplish the purposes of Sections 52  
4 and 52-a, Article III, and Section 59, Article XVI,  
5 Texas Constitution, and other public purposes stated  
6 in this Act.

7 (b) The creation of the district is necessary to  
8 promote, develop, encourage, and maintain employment,  
9 commerce, transportation, housing, tourism,  
10 recreation, the arts, entertainment, economic  
11 development, safety, and the public welfare in the  
12 area of the district.

13 (c) The creation of the district and this  
14 legislation may not be interpreted to relieve Harris  
15 County or the City of Houston from providing the level  
16 of services provided, as of the effective date of this  
17 Act, to the area in the district. The district is  
18 created to supplement and not to supplant the county or  
19 city services provided in the area in the district.

20 (d) By creating the district and in authorizing  
21 the City of Houston, Harris County, and other  
22 political subdivisions to contract with the district,  
23 the legislature has established a program to  
24 accomplish the public purposes set out in Section  
25 52-a, Article III, Texas Constitution.

26 Revisor's Note

27 Section 3(c), Chapter 784, Acts of the 78th  
28 Legislature, Regular Session, 2003, refers to "the  
29 effective date of this Act." For the convenience of  
30 the reader, the revised law substitutes for that  
31 phrase the act's effective date, June 20, 2003.

32 Revised Law

33 Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
34 The district is created to serve a public use and benefit.

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

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

42 (1) further the public purposes of development and  
43 diversification of the economy of the state;

44 (2) eliminate unemployment and underemployment; and

45 (3) develop or expand transportation and commerce.

46 (d) The district will:

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

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

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

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

16 (f) The district will not act as the agent or  
17 instrumentality of any private interest even though the district  
18 will benefit many private interests, as well as the public. (Acts  
19 78th Leg., R.S., Ch. 784, Sec. 6.)

20 Source Law

21 Sec. 6. (a) The district is created to serve a  
22 public use and benefit. All the land and other  
23 property included in the district will be benefited by  
24 the improvements and services to be provided by the  
25 district under powers conferred by Sections 52 and  
26 52-a, Article III, and Section 59, Article XVI, Texas  
27 Constitution, and other powers granted under this Act.

28 (b) The creation of the district is in the  
29 public interest and is essential to:

30 (1) further the public purposes of  
31 development and diversification of the economy of the  
32 state; and

33 (2) eliminate unemployment and  
34 underemployment and develop or expand transportation  
35 and commerce.

36 (c) The district will:

37 (1) promote the health, safety, and  
38 general welfare of residents, employers, employees,  
39 visitors, and consumers in the district and the  
40 general public;

41 (2) provide needed funding to preserve,  
42 maintain, and enhance the economic health and vitality  
43 of the district as a community and business center; and

44 (3) further promote the health, safety,  
45 welfare, and enjoyment of the public by providing  
46 pedestrian ways and by landscaping and developing  
47 certain areas in the district, which are necessary for  
48 the restoration, preservation, and enhancement of

1 scenic beauty.

2 (d) Pedestrian ways along or across a street,  
3 whether at grade or above or below the surface, and  
4 street lighting, street landscaping, and street art  
5 objects are parts of and necessary components of a  
6 street and are considered to be a street or road  
7 improvement.

8 (e) The district will not act as the agent or  
9 instrumentality of any private interest even though  
10 many private interests, as well as the general public,  
11 will be benefited by the district.

12 Revised Law

13 Sec. 3819.005. DISTRICT TERRITORY. (a) The district is  
14 composed of the territory described by Section 4, Chapter 784, Acts  
15 of the 78th Legislature, Regular Session, 2003, as that territory  
16 may have been modified under:

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

18 (2) other law.

19 (b) The boundaries and field notes of the district contained  
20 in Section 4, Chapter 784, Acts of the 78th Legislature, Regular  
21 Session, 2003, form a closure. A mistake made in the field notes or  
22 in copying the field notes in the legislative process does not in  
23 any way affect the district's:

24 (1) organization, existence, or validity;

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

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

29 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
30 784, Sec. 5; New.)

31 Source Law

32 Sec. 5. The boundaries and field notes of the  
33 district form a closure. If a mistake is made in the  
34 field notes or in copying the field notes in the  
35 legislative process, the mistake does not in any way  
36 affect the district's:

37 (1) organization, existence, or validity;

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

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

43 (4) legality or operation.

44 Revisor's Note

45 The revision of the law governing the district

1 does not revise the statutory language describing the  
2 territory of the district to avoid the lengthy  
3 recitation of the description and because that  
4 description may not be accurate on the effective date  
5 of the revision or at the time of a later reading. For  
6 the reader's convenience, the revised law includes a  
7 reference to the statutory description of the  
8 district's territory and to statutory authority to  
9 change the district's territory under Subchapter J,  
10 Chapter 49, Water Code, applicable to the district  
11 under Sections 49.001 and 49.002 of that chapter. The  
12 revised law also includes a reference to the general  
13 authority of the legislature to enact other laws to  
14 change the district's territory.

15 Revised Law

16 Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

17 All or any part of the area of the district is eligible to be  
18 included in:

19 (1) a tax increment reinvestment zone created by the  
20 City of Houston under Chapter 311, Tax Code;

21 (2) a tax abatement reinvestment zone created by the  
22 City of Houston under Chapter 312, Tax Code; or

23 (3) an enterprise zone created by the City of Houston  
24 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
25 784, Sec. 31.)

26 Source Law

27 Sec. 31. All or any part of the area of the  
28 district is eligible, notwithstanding other statutory  
29 criteria, to be included in a tax increment  
30 reinvestment zone created by the City of Houston under  
31 Chapter 311, Tax Code, or included in a tax abatement  
32 reinvestment zone created by the City of Houston under  
33 Chapter 312, Tax Code. All or any part of the area of  
34 the district is also eligible to be included in an  
35 enterprise zone created by the City of Houston under  
36 Chapter 2303, Government Code.

37 Revisor's Note

38 Section 31, Chapter 784, Acts of the 78th  
39 Legislature, Regular Session, 2003, provides that the

1 district is eligible, "notwithstanding other  
2 statutory criteria," to be included in a tax increment  
3 reinvestment zone or a tax abatement reinvestment  
4 zone. The revised law omits "notwithstanding other  
5 statutory criteria" because the eligibility of the  
6 district established under Section 31 to be included  
7 in the reinvestment zones necessarily supersedes any  
8 conflicting statutory criteria previously enacted by  
9 the legislature.

10 Revised Law

11 Sec. 3819.007. APPLICABILITY OF OTHER LAW. Except as  
12 otherwise provided by this chapter, Chapter 375, Local Government  
13 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 784, Sec.  
14 7(a).)

15 Source Law

16 Sec. 7. (a) Except as otherwise provided by this  
17 Act, Chapter 375, Local Government Code, applies to  
18 the district.

19 Revised Law

20 Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
21 chapter shall be construed liberally in conformity with the  
22 findings and purposes stated in this chapter. (Acts 78th Leg.,  
23 R.S., Ch. 784, Sec. 8.)

24 Source Law

25 Sec. 8. This Act shall be liberally construed in  
26 conformity with the findings and purposes stated in  
27 this Act.

28 Revisor's Note  
29 (End of Subchapter)

30 (1) Section 1(b), Chapter 784, Acts of the 78th  
31 Legislature, Regular Session, 2003, provides that the  
32 board may change the district's name by resolution.  
33 The revised law omits the provision because it  
34 duplicates Section 375.096(d), Local Government Code.  
35 Section 7(a), Chapter 784, Acts of the 78th  
36 Legislature, Regular Session, 2003 (revised in this  
37 chapter as Section 3819.007), provides that Chapter

1 375, Local Government Code, applies to the district.  
2 Throughout this chapter, provisions that duplicate  
3 provisions of Chapter 375, Local Government Code, have  
4 been omitted. The relevant sections of Chapter 375 are  
5 cited in revisor's notes. The omitted law reads:

6 (b) The board by resolution may  
7 change the name of the district.

8 (2) Section 7(b), Chapter 784, Acts of the 78th  
9 Legislature, Regular Session, 2003, provides that the  
10 Code Construction Act (Chapter 311, Government Code)  
11 applies to the act. The revised law omits that  
12 provision because it duplicates Section 311.002,  
13 Government Code (Code Construction Act), applicable to  
14 the revised law. The omitted law reads:

15 (b) Chapter 311, Government Code,  
16 applies to this Act.

17 [Sections 3819.009-3819.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Revised Law

20 Sec. 3819.051. COMPOSITION; TERMS. (a) Except as provided  
21 by Subsection (c), the district is governed by a board of five  
22 voting directors appointed under Section 3819.052 and five  
23 nonvoting directors as provided by Section 3819.053.

24 (b) Voting directors serve staggered terms of four years,  
25 with two or three directors' terms expiring June 1 of each  
26 odd-numbered year.

27 (c) The board by resolution may increase or decrease the  
28 number of directors on the board if the board finds it is in the best  
29 interest of the district. The board may not consist of fewer than 5  
30 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 784, Sec. 9.)

31 Source Law

32 Sec. 9. (a) Except as provided by Subsection  
33 (c), the district is governed by a board of five voting  
34 directors appointed under Section 10 and five  
35 nonvoting directors as provided by Section 11.

36 (b) Voting directors serve staggered terms of  
37 four years, with three directors' terms expiring June 1  
38 of an odd-numbered year and two directors' terms  
39 expiring June 1 of the following odd-numbered year.

1 (c) The board may increase or decrease the  
2 number of directors on the board by resolution  
3 provided that it is in the best interest of the  
4 district to do so and that the board consists of not  
5 fewer than five and not more than 15 directors.

6 Revised Law

7 Sec. 3819.052. APPOINTMENT OF DIRECTORS. The mayor and  
8 members of the governing body of the City of Houston shall appoint  
9 voting directors from persons recommended by the board. A person is  
10 appointed if a majority of the directors and the mayor vote to  
11 appoint that person. (Acts 78th Leg., R.S., Ch. 784, Sec. 10.)

12 Source Law

13 Sec. 10. The mayor and members of the governing  
14 body of the City of Houston shall appoint voting  
15 directors from persons recommended by the board. A  
16 person is appointed if a majority of the directors and  
17 the mayor vote to appoint that person.

18 Revised Law

19 Sec. 3819.053. NONVOTING DIRECTORS. (a) The following  
20 persons shall serve as nonvoting directors:

21 (1) the directors of the following departments of the  
22 City of Houston or a person designated by that director:

- 23 (A) parks and recreation;  
24 (B) planning and development;  
25 (C) public works; and  
26 (D) civic center; and

27 (2) the City of Houston's chief of police.

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

35 (c) Nonvoting directors are not counted for the purposes of  
36 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 784,  
37 Sec. 11.)

38 Source Law

39 Sec. 11. (a) The following persons shall serve



1 as nonvoting directors:

2 (1) the directors of the following  
3 departments of the City of Houston or their designees:

- 4 (A) parks and recreation;
- 5 (B) planning and development;
- 6 (C) public works; and
- 7 (D) civic center; and

8 (2) the City of Houston's chief of police.

9 (b) If an agency, department, or division  
10 described by Subsection (a) is consolidated, renamed,  
11 or changed, the board may appoint a director of the  
12 consolidated, renamed, or changed agency, department,  
13 or division as a nonvoting director. If an agency,  
14 department, or division described by Subsection (a) is  
15 abolished, the board may appoint a representative of  
16 another agency, department, or division that performs  
17 duties comparable to those performed by the abolished  
18 entity.

19 (c) Nonvoting directors are not counted for the  
20 purposes of establishing a quorum of the board.

21 Revisor's Note

22 Section 11(b), Chapter 784, Acts of the 78th  
23 Legislature, Regular Session, 2003, refers to an  
24 "agency, department, or division described by  
25 Subsection (a)" of Section 11. The revised law omits  
26 the references to an "agency" or "division" because  
27 Section 11(a) refers only to "departments" and  
28 because, in this context, the terms are synonymous.

29 Revised Law

30 Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

31 (a) Except as provided by this section:

32 (1) a director may participate in all board votes and  
33 decisions; and

34 (2) Chapter 171, Local Government Code, governs  
35 conflicts of interest for directors.

36 (b) Section 171.004, Local Government Code, does not apply  
37 to the district. A director who has a substantial interest in a  
38 business or charitable entity that will receive a pecuniary benefit  
39 from a board action shall file a one-time affidavit declaring the  
40 interest. An additional affidavit is not required if the  
41 director's interest changes. After the affidavit is filed with the  
42 board secretary, the director may participate in a discussion or  
43 vote on that action if:

44 (1) a majority of the directors have a similar

1 interest in the same entity; or

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

4 (c) A director who is also an officer or employee of a public  
5 entity may not participate in the discussion of or vote on a matter  
6 regarding a contract with that public entity.

7 (d) For purposes of this section, a director has a  
8 substantial interest in a charitable entity in the same manner that  
9 a person would have a substantial interest in a business entity  
10 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
11 R.S., Ch. 784, Sec. 12.)

12 Source Law

13 Sec. 12. (a) Except as provided by this section:

14 (1) a director may participate in all  
15 board votes and decisions; and

16 (2) Chapter 171, Local Government Code,  
17 governs conflicts of interest for directors.

18 (b) Section 171.004, Local Government Code,  
19 does not apply to the district. A director who has a  
20 substantial interest in a business or charitable  
21 entity that will receive a pecuniary benefit from a  
22 board action shall file a one-time affidavit declaring  
23 the interest. An additional affidavit is not required  
24 if the director's interest changes. After the  
25 affidavit is filed with the board secretary, the  
26 director may participate in a discussion or vote on  
27 that action if:

28 (1) a majority of the directors have a  
29 similar interest in the same entity; or

30 (2) all other similar business or  
31 charitable entities in the district will receive a  
32 similar pecuniary benefit.

33 (c) A director who is also an officer or  
34 employee of a public entity may not participate in the  
35 discussion of or vote on a matter regarding a contract  
36 with that public entity.

37 (d) For purposes of this section, a director has  
38 a substantial interest in a charitable entity in the  
39 same manner that a person would have a substantial  
40 interest in a business entity under Section 171.002,  
41 Local Government Code.

42 Revised Law

43 Sec. 3819.055. INITIAL DIRECTORS. (a) The initial board  
44 consists of the following persons:

Pos. No.	Name of Director
1	Stephen Pohl
2	C. Glen Crocker
3	Gene Satern

1                           4                           Willard Tredway

2                           5                           Connie Simmons

3           (b) Of the initial directors, the terms of directors  
4 appointed for positions 1 through 3 expire June 1, 2005, and the  
5 terms of directors appointed for positions 4 and 5 expire June 1,  
6 2007.

7           (c) Section 3819.052 does not apply to this section.

8           (d) This section expires September 1, 2007. (Acts 78th  
9 Leg., R.S., Ch. 784, Sec. 28.)

10   Source Law

11                   Sec. 28. (a) The initial board consists of the  
12 following persons:

	Pos. No.	Name of Director
13	1	Stephen Pohl
14	2	C. Glen Crocker
15	3	Gene Satern
16	4	Willard Tredway
17	5	Connie Simmons
18		

19           (b) Of the initial directors, the terms of  
20 directors appointed for positions 1 through 3 expire  
21 June 1, 2005, and the terms of directors appointed for  
22 positions 4 and 5 expire June 1, 2007.

23           (c) Section 10 does not apply to this section.

24           (d) This section expires September 1, 2007.

25           [Sections 3819.056-3819.100 reserved for expansion]

26   SUBCHAPTER C. POWERS AND DUTIES

27   Revised Law

28           Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT. The district  
29 may exercise the powers given to:

30                   (1) a corporation under Section 4B, Development  
31 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
32 Statutes), including the power to own, operate, acquire, construct,  
33 lease, improve, and maintain projects described by that section;

34                   (2) a housing finance corporation under Chapter 394,  
35 Local Government Code, to provide housing or residential  
36 development projects in the district; and

37                   (3) a municipality under Chapter 380, Local Government  
38 Code. (Acts 78th Leg., R.S., Ch. 784, Secs. 13, 32 (part).)

39   Source Law

40                   Sec. 13. The district may exercise the powers

1 given to:

2 (1) a corporation under Section 4B,  
3 Development Corporation Act of 1979 (Article 5190.6,  
4 Vernon's Texas Civil Statutes), including the power to  
5 own, operate, acquire, construct, lease, improve, and  
6 maintain projects described by that section; and

7 (2) a housing finance corporation under  
8 Chapter 394, Local Government Code, to provide housing  
9 or residential development projects in the district.

10 Sec. 32. . . . The district has all of the  
11 powers and authority of a municipality under Chapter  
12 380, Local Government Code.

13 Revisor's Note

14 Section 32, Chapter 784, Acts of the 78th  
15 Legislature, Regular Session, 2003, provides that the  
16 district has the "powers and authority" of a  
17 municipality under Chapter 380, Local Government Code.  
18 The revised law omits "authority" because, in this  
19 context, the meaning of "authority" is included in the  
20 meaning of "powers."

21 Revised Law

22 Sec. 3819.102. NONPROFIT CORPORATION. (a) The board by  
23 resolution may authorize the creation of a nonprofit corporation to  
24 assist and act for the district in implementing a project or  
25 providing a service authorized by this chapter.

26 (b) The nonprofit corporation:

27 (1) has each power of and is considered for purposes of  
28 this chapter to be a local government corporation created under  
29 Chapter 431, Transportation Code; and

30 (2) may implement any project and provide any service  
31 authorized by this chapter.

32 (c) The board shall appoint the board of directors of the  
33 nonprofit corporation. The board of directors of the nonprofit  
34 corporation shall serve in the same manner as the board of directors  
35 of a local government corporation created under Chapter 431,  
36 Transportation Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 16.)

37 Source Law

38 Sec. 16. (a) The board by resolution may  
39 authorize the creation of a nonprofit corporation to  
40 assist and act on behalf of the district in  
41 implementing a project or providing a service  
42 authorized by this Act.

1 (b) The board shall appoint the board of  
2 directors of a nonprofit corporation created under  
3 this section. The board of directors of the nonprofit  
4 corporation shall serve in the same manner as the board  
5 of directors of a local government corporation created  
6 under Chapter 431, Transportation Code.

7 (c) A nonprofit corporation created under this  
8 section has the powers of and is considered for  
9 purposes of this Act to be a local government  
10 corporation created under Chapter 431, Transportation  
11 Code.

12 (d) A nonprofit corporation created under this  
13 section may implement any project and provide any  
14 service authorized by this Act.

15 Revised Law

16 Sec. 3819.103. AGREEMENTS; GRANTS. (a) The district may  
17 make an agreement with or accept a gift, grant, or loan from any  
18 person.

19 (b) The implementation of a project is a governmental  
20 function or service for the purposes of Chapter 791, Government  
21 Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 14.)

22 Source Law

23 Sec. 14. (a) The district may make an agreement  
24 with or accept a gift, grant, or loan from any person.

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

28 Revised Law

29 Sec. 3819.104. LAW ENFORCEMENT SERVICES. To protect the  
30 public interest, the district may contract with Harris County or  
31 the City of Houston to provide law enforcement services in the  
32 district for a fee. (Acts 78th Leg., R.S., Ch. 784, Sec. 15.)

33 Source Law

34 Sec. 15. To protect the public interest, the  
35 district may contract with Harris County or the City of  
36 Houston to provide law enforcement services in the  
37 district for a fee.

38 Revised Law

39 Sec. 3819.105. COMPETITIVE BIDDING. Section 375.221, Local  
40 Government Code, applies to the district only for a contract that  
41 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 784,  
42 Sec. 26.)

43 Source Law

44 Sec. 26. Section 375.221, Local Government Code,  
45 applies to the district only for a contract that has a  
46 value greater than \$25,000.

1 Revised Law

2 Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a)  
3 The district may join and pay dues to an organization that:

- 4 (1) enjoys tax-exempt status under Section 501(c)(3),  
5 (4), or (6), Internal Revenue Code of 1986, as amended; and  
6 (2) performs a service or provides an activity  
7 consistent with the furtherance of a district purpose.

8 (b) An expenditure of public money for membership in the  
9 organization is considered to further a district purpose and to be  
10 for a public purpose. (Acts 78th Leg., R.S., Ch. 784, Sec. 30.)

11 Source Law

12 Sec. 30. The district may join and pay dues to an  
13 organization that enjoys tax-exempt status under  
14 Sections 501(c)(3), (4), or (6), Internal Revenue Code  
15 of 1986, as amended, and that performs services or  
16 provides activities consistent with the furtherance of  
17 the purposes of the district. An expenditure of public  
18 money for membership in the organization is considered  
19 to further the purposes of the district and to be for a  
20 public purpose.

21 Revised Law

22 Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
23 may establish and provide for the administration of one or more  
24 programs to promote state or local economic development and to  
25 stimulate business and commercial activity in the district,  
26 including programs to:

- 27 (1) make loans and grants of public money; and  
28 (2) provide district personnel and services. (Acts  
29 78th Leg., R.S., Ch. 784, Sec. 32 (part).)

30 Source Law

31 Sec. 32. The district may establish and provide  
32 for the administration of one or more programs,  
33 including programs for making loans and grants of  
34 public money and providing personnel and services of  
35 the district, to promote state or local economic  
36 development and to stimulate business and commercial  
37 activity in the district. . . .

38 Revised Law

39 Sec. 3819.108. MUNICIPAL APPROVAL. (a) Except as provided  
40 by Subsection (b), the district must obtain approval from the  
41 governing body of the City of Houston for:

- 1 (1) the issuance of bonds for an improvement project;
- 2 (2) the plans and specifications of an improvement  
3 project financed by the bonds; and
- 4 (3) the plans and specifications of a district  
5 improvement project related to:
- 6 (A) the use of land owned by the City of Houston;
- 7 (B) an easement granted by the City of Houston;
- 8 or
- 9 (C) a right-of-way of a street, road, or highway.

10 (b) If the district obtains approval from the governing body  
11 of the City of Houston for a capital improvements budget for a  
12 period not to exceed five years, the district may finance the  
13 capital improvements and issue bonds specified in the budget  
14 without further approval from the City of Houston. (Acts 78th Leg.,  
15 R.S., Ch. 784, Sec. 23.)

16 Source Law

17 Sec. 23. (a) Except as provided by Subsection  
18 (b), the district must obtain approval from the  
19 governing body of the City of Houston for:

20 (1) the issuance of bonds for an  
21 improvement project;

22 (2) the plans and specifications of an  
23 improvement project financed by the bonds; and

24 (3) the plans and specifications of a  
25 district improvement project related to:

26 (A) the use of land owned by the City  
27 of Houston;

28 (B) an easement granted by the City  
29 of Houston; or

30 (C) a right-of-way of a street, road,  
31 or highway.

32 (b) If the district obtains approval from the  
33 governing body of the City of Houston for a capital  
34 improvements budget for a period not to exceed five  
35 years, the district may finance the capital  
36 improvements and issue bonds specified in the budget  
37 without further approval from the City of Houston.

38 [Sections 3819.109-3819.150 reserved for expansion]

39 SUBCHAPTER D. FINANCIAL PROVISIONS

40 Revised Law

41 Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
42 board by resolution shall establish the number of directors'  
43 signatures and the procedure required for a disbursement or  
44 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 784,

1 Sec. 25.)

2 Source Law

3 Sec. 25. The board by resolution shall establish  
4 the number of directors' signatures and the procedure  
5 required for a disbursement or transfer of the  
6 district's money.

7 Revised Law

8 Sec. 3819.152. TAX AND BOND ELECTIONS. (a) The district  
9 shall hold an election in the manner provided by Subchapter L,  
10 Chapter 375, Local Government Code, to obtain voter approval before  
11 the district imposes a maintenance tax or issues bonds payable from  
12 ad valorem taxes.

13 (b) The board may include more than one purpose in a single  
14 proposition at an election.

15 (c) Section 375.243, Local Government Code, does not apply  
16 to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 18.)

17 Source Law

18 Sec. 18. (a) The district shall hold an election  
19 in the manner provided by Subchapter L, Chapter 375,  
20 Local Government Code, to obtain voter approval before  
21 the district imposes a maintenance tax or issues bonds  
22 payable from ad valorem taxes.

23 (b) The board may include more than one purpose  
24 in a single proposition at an election.

25 (c) Section 375.243, Local Government Code,  
26 does not apply to the district.

27 Revised Law

28 Sec. 3819.153. MAINTENANCE AND OPERATION TAX. (a) If  
29 authorized at an election held in accordance with Section 3819.152,  
30 the district may impose an annual ad valorem tax on taxable property  
31 in the district for the:

32 (1) maintenance and operation of the district and the  
33 improvements constructed or acquired by the district; or

34 (2) provision of a service.

35 (b) The board shall determine the tax rate. (Acts 78th  
36 Leg., R.S., Ch. 784, Sec. 19.)

37 Source Law

38 Sec. 19. (a) If authorized at an election held  
39 in accordance with Section 18, the district may impose  
40 an annual ad valorem tax on taxable property in the  
41 district for the maintenance and operation of the  
42 district and the improvements constructed or acquired



1 by the district or for the provision of services.  
2 (b) The board shall determine the tax rate.

3 Revised Law

4 Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
5 The board by resolution may impose an assessment for any purpose  
6 authorized by this chapter.

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

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

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

17 (3) are the personal liability of and a charge against  
18 the owners of the property even if the owners are not named in the  
19 assessment proceedings.

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

24 (d) The board may make a correction to or deletion from the  
25 assessment roll that does not increase the amount of assessment of  
26 any parcel of land without providing notice and holding a hearing in  
27 the manner required for additional assessments. (Acts 78th Leg.,  
28 R.S., Ch. 784, Sec. 20.)

29 Source Law

30 Sec. 20. (a) The board by resolution may impose  
31 and collect an assessment for any purpose authorized  
32 by this Act.

33 (b) Assessments, including assessments  
34 resulting from an addition to or correction of the  
35 assessment roll by the district, reassessments,  
36 penalties and interest on an assessment or  
37 reassessment, expenses of collection, and reasonable  
38 attorney's fees incurred by the district:

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

41 (2) are superior to any other lien or claim

1 other than a lien or claim for county, school district,  
2 or municipal ad valorem taxes; and

3 (3) are the personal liability of and  
4 charge against the owners of the property even if the  
5 owners are not named in the assessment proceedings.

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

11 (d) Without necessity of notice and hearing in  
12 the manner required for additional assessments, the  
13 board may make corrections to or deletions from the  
14 assessment roll provided that such corrections or  
15 deletions do not increase the amount of assessment of  
16 any parcel of land.

17 Revisor's Note

18 Section 20, Chapter 784, Acts of the 78th  
19 Legislature, Regular Session, 2003, provides that the  
20 board by resolution "may impose and collect"  
21 assessments. The revised law omits the reference to  
22 the authority to collect the assessments because the  
23 authority to impose an assessment necessarily implies  
24 the authority to collect it.

25 Revised Law

26 Sec. 3819.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
27 IMPROVEMENTS. (a) The board may not finance a service or  
28 improvement project with assessments under this chapter unless a  
29 written petition requesting that service or improvement has been  
30 filed with the board.

31 (b) The petition must be signed by:

32 (1) the owners of a majority of the assessed value of  
33 real property in the district subject to assessment according to  
34 the most recent certified tax appraisal roll for Harris County; or

35 (2) at least 25 owners of real property in the  
36 district, if more than 25 persons own real property in the district  
37 according to the most recent certified tax appraisal roll for  
38 Harris County. (Acts 78th Leg., R.S., Ch. 784, Sec. 17.)

39 Source Law

40 Sec. 17. The board may not finance a service or  
41 improvement project with assessments under this Act  
42 unless a written petition requesting that improvement  
43 or service has been filed with the board. The petition  
44 must be signed by:

45 (1) the owners of a majority of the

1 assessed value of real property in the district  
2 subject to assessment as determined by the most recent  
3 certified tax appraisal roll for Harris County; or  
4 (2) at least 25 persons who own real  
5 property in the district, if more than 25 persons own  
6 real property in the district as determined by the most  
7 recent certified tax appraisal roll for Harris County.

8 Revised Law

9 Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
10 ASSESSMENTS. The district may not impose an impact fee or  
11 assessment on the property, including the equipment,  
12 rights-of-way, facilities, or improvements, of:

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

15 (2) a gas utility as defined by Section 101.003 or  
16 121.001, Utilities Code;

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

19 (4) a person who provides to the public cable  
20 television or advanced telecommunications services. (Acts 78th  
21 Leg., R.S., Ch. 784, Sec. 21 (part).)

22 Source Law

23 Sec. 21. The district may not impose an impact  
24 fee or assessment on the property, equipment, rights  
25 of way, facilities, or improvements of an electric  
26 utility or a power generation company as defined by  
27 Section 31.002, Utilities Code, a gas utility as  
28 defined by Section 101.003 or 121.001, Utilities Code,  
29 a telecommunications provider as defined by Section  
30 51.002, Utilities Code, or of a person that provides to  
31 the public cable television or advanced  
32 telecommunications services. . . .

33 Revisor's Note

34 Section 21, Chapter 784, Acts of the 78th  
35 Legislature, Regular Session, 2003, exempts utilities  
36 from assessments and impact fees and also requires  
37 that "relocation, rerouting, or removal" of utility  
38 property be performed at the sole expense of the  
39 district. The revised law omits the requirements  
40 because they duplicate requirements contained in  
41 Section 375.093(c), Local Government Code. The  
42 omitted law reads:

1           Sec. 21. . . . If the district, in  
2 the exercise of the powers conferred on it  
3 by this Act, requires or requests the  
4 relocation, rerouting, or removal of  
5 electric, gas, water, sewer,  
6 communications, or other public utilities,  
7 as defined by Sections 31.002, 101.003,  
8 121.001, or 51.002, Utilities Code, the  
9 relocation, rerouting, or removal shall be  
10 at the sole expense of the district.

11                           Revised Law

12           Sec. 3819.157. BONDS AND OTHER OBLIGATIONS. (a) The  
13 district may issue bonds or other obligations payable wholly or  
14 partly from ad valorem taxes, assessments, impact fees, revenue,  
15 grants, or other money of the district, or any combination of those  
16 sources of money, to pay for any authorized purpose of the district.

17           (b) In exercising the district's power to borrow, the  
18 district may issue a bond or other obligation in the form of a bond,  
19 note, certificate of participation or other instrument evidencing a  
20 proportionate interest in payments to be made by the district, or  
21 other type of obligation. (Acts 78th Leg., R.S., Ch. 784, Sec. 22.)

22                           Source Law

23           Sec. 22. (a) The district may issue bonds or  
24 other obligations payable in whole or in part from ad  
25 valorem taxes, assessments, impact fees, revenue,  
26 grants, or other money of the district, or any  
27 combination of those sources of money, to pay for any  
28 authorized purpose of the district.

29           (b) In exercising the district's borrowing  
30 power, the district may issue a bond or other  
31 obligation in the form of a bond, note, certificate of  
32 participation or other instrument evidencing a  
33 proportionate interest in payments to be made by the  
34 district, or other type of obligation.

35                           Revised Law

36           Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
37 OBLIGATIONS. Except as provided by Section 375.263, Local  
38 Government Code, a municipality is not required to pay a bond, note,  
39 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
40 784, Sec. 24.)

41                           Source Law

42           Sec. 24. Except as provided by Section 375.263,  
43 Local Government Code, a municipality is not required  
44 to pay a bond, note, or other obligation of the  
45 district.

1 Revised Law

2 Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS. Without  
3 further authorization or other procedural requirement, the  
4 district may grant, consistent with Chapter 312, Tax Code, an  
5 abatement for a tax or assessment owed to the district. (Acts 78th  
6 Leg., R.S., Ch. 784, Sec. 29.)

7 Source Law

8 Sec. 29. Without further authorization or other  
9 procedural requirement, the district may grant,  
10 consistent with Chapter 312, Tax Code, an abatement  
11 for a tax or assessment owed to the district.

12 [Sections 3819.160-3819.200 reserved for expansion]

13 SUBCHAPTER E. DISSOLUTION

14 Revised Law

15 Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
16 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
17 that has debt. If the vote is in favor of dissolution, the district  
18 shall remain in existence solely for the limited purpose of  
19 discharging its debts. The dissolution is effective when all debts  
20 have been discharged.

21 (b) Section 375.264, Local Government Code, does not apply  
22 to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 27.)

23 Source Law

24 Sec. 27. (a) The board may vote to dissolve a  
25 district that has debt. If the vote is in favor of  
26 dissolution, the district shall remain in existence  
27 solely for the limited purpose of discharging its  
28 debts. The dissolution is effective when all debts  
29 have been discharged.

30 (b) Section 375.264, Local Government Code,  
31 does not apply to the district.

32 Revisor's Note  
33 (End of Chapter)

34 Section 33, Chapter 784, Acts of the 78th  
35 Legislature, Regular Session, 2003, recites  
36 legislative findings regarding procedural  
37 requirements for the creation of the district under  
38 the constitution and other laws and rules, including  
39 proper legal notice, filing of recommendations, and  
40 consent by other governmental entities to the creation

1 of the district. The revised law omits these  
2 provisions as executed. The omitted law reads:

3 Sec. 33. The legislature finds that:

4 (1) proper and legal notice of  
5 the intention to introduce this Act,  
6 setting forth the general substance of this  
7 Act, has been published as provided by law,  
8 and the notice and a copy of this Act have  
9 been furnished to all persons, agencies,  
10 officials, or entities to which they are  
11 required to be furnished by the  
12 constitution and laws of this state,  
13 including the governor, who has submitted  
14 the notice and Act to the Texas Commission  
15 on Environmental Quality;

16 (2) the Texas Commission on  
17 Environmental Quality has filed its  
18 recommendations relating to this Act with  
19 the governor, lieutenant governor, and  
20 speaker of the house of representatives  
21 within the required time;

22 (3) the general law relating to  
23 consent by political subdivisions to the  
24 creation of districts with conservation,  
25 reclamation, and road powers and the  
26 inclusion of land in those districts has  
27 been complied with; and

28 (4) all requirements of the  
29 constitution and laws of this state and the  
30 rules and procedures of the legislature  
31 with respect to the notice, introduction,  
32 and passage of this Act have been fulfilled  
33 and accomplished.

34 CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

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31 CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT  
32 SUBCHAPTER A. GENERAL PROVISIONS  
33 Revised Law  
34 Sec. 3820.001. DEFINITIONS. In this chapter:

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

3 (2) "District" means the Buffalo Bayou Management  
4 District. (Acts 78th Leg., R.S., Ch. 997, Sec. 2.)

5 Source Law

6 Sec. 2. In this Act:

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

9 (2) "District" means the Buffalo Bayou  
10 Management District.

11 Revised Law

12 Sec. 3820.002. BUFFALO BAYOU MANAGEMENT DISTRICT. The  
13 Buffalo Bayou Management District is a special district created  
14 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
15 Leg., R.S., Ch. 997, Sec. 1(a).)

16 Source Law

17 Sec. 1. (a) The Buffalo Bayou Management  
18 District is a special district created under Section  
19 59, Article XVI, Texas Constitution.

20 Revised Law

21 Sec. 3820.003. PURPOSE; DECLARATION OF INTENT. (a) The  
22 creation of the district is essential to accomplish the purposes of  
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
24 Texas Constitution, and other public purposes stated in this  
25 chapter. By creating the district and in authorizing the City of  
26 Houston, Harris County, and other political subdivisions to  
27 contract with the district, the legislature has established a  
28 program to accomplish the public purposes set out in Section 52-a,  
29 Article III, Texas Constitution.

30 (b) The creation of the district is necessary to promote,  
31 develop, encourage, and maintain employment, commerce,  
32 transportation, housing, tourism, recreation, the arts,  
33 entertainment, economic development, safety, and the public  
34 welfare in the area of the district.

35 (c) This chapter and the creation of the district may not be  
36 interpreted to relieve Harris County or the City of Houston from  
37 providing the level of services provided as of June 20, 2003, to the



1 area in the district. The district is created to supplement and not  
2 to supplant the county or city services provided in the area in the  
3 district. (Acts 78th Leg., R.S., Ch. 997, Sec. 3.)

4 Source Law

5 Sec. 3. (a) The creation of the district is  
6 essential to accomplish the purposes of Sections 52  
7 and 52-a, Article III, and Section 59, Article XVI,  
8 Texas Constitution, and other public purposes stated  
9 in this Act.

10 (b) The creation of the district is necessary to  
11 promote, develop, encourage, and maintain employment,  
12 commerce, transportation, housing, tourism,  
13 recreation, the arts, entertainment, economic  
14 development, safety, and the public welfare in the  
15 area of the district.

16 (c) This Act and the creation of the district  
17 may not be interpreted to relieve Harris County or the  
18 City of Houston from providing the level of services  
19 provided as of the effective date of this Act, to the  
20 area in the district. The district is created to  
21 supplement and not to supplant the county or city  
22 services provided in the area in the district.

23 (d) By creating the district and in authorizing  
24 the City of Houston, Harris County, and other  
25 political subdivisions to contract with the district,  
26 the legislature has established a program to  
27 accomplish the public purposes set out in Section  
28 52-a, Article III, Texas Constitution.

29 Revisor's Note

30 Section 3(c), Chapter 997, Acts of the 78th  
31 Legislature, Regular Session, 2003, refers to "the  
32 effective date of this Act." For the convenience of  
33 the reader, the revised law substitutes for that  
34 phrase the act's effective date, June 20, 2003.

35 Revised Law

36 Sec. 3820.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
37 The district is created to serve a public use and benefit.

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

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

45 (1) further the public purposes of development and  
46 diversification of the economy of the state;

1 (2) eliminate unemployment and underemployment; and

2 (3) develop or expand transportation and commerce.

3 (d) The district will:

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

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

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

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

19 (f) The district will not act as the agent or  
20 instrumentality of any private interest even though the district  
21 will benefit many private interests, as well as the public. (Acts  
22 78th Leg., R.S., Ch. 997, Sec. 6.)

23 Source Law

24 Sec. 6. (a) The district is created to serve a  
25 public use and benefit.

26 (b) All land and other property included in the  
27 district will benefit from the improvements and  
28 services to be provided by the district under powers  
29 conferred by Sections 52 and 52-a, Article III, and  
30 Section 59, Article XVI, Texas Constitution, and other  
31 powers granted under this Act.

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

34 (1) further the public purposes of  
35 development and diversification of the economy of the  
36 state;

37 (2) eliminate unemployment and  
38 underemployment; and

39 (3) develop or expand transportation and  
40 commerce.

41 (d) The district will:

42 (1) promote the health, safety, and  
43 general welfare of residents, employers, employees,  
44 visitors, and consumers in the district, and of the  
45 public;

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

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

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

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

#### 20 Revised Law

21 Sec. 3820.005. DISTRICT TERRITORY. (a) The district is  
22 composed of the territory described by Section 4, Chapter 997, Acts  
23 of the 78th Legislature, Regular Session, 2003, as that territory  
24 may have been modified under:

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

26 (2) other law.

27 (b) The boundaries and field notes of the district contained  
28 in Section 4, Chapter 997, Acts of the 78th Legislature, Regular  
29 Session, 2003, form a closure. A mistake made in the field notes or  
30 in copying the field notes in the legislative process does not in  
31 any way affect the district's:

32 (1) organization, existence, or validity;

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

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

37 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
38 997, Sec. 5; New.)

#### 39 Source Law

40 Sec. 5. The boundaries and field notes of the  
41 district form a closure. A mistake in the field notes  
42 or in copying the field notes in the legislative  
43 process does not in any way affect the district's:

44 (1) organization, existence, or validity;

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

48 (3) right to impose or collect an

1 assessment or tax; or  
2 (4) legality or operation.

3 Revisor's Note

4 The revision of the law governing the district  
5 does not revise the statutory language describing the  
6 territory of the district to avoid the lengthy  
7 recitation of the description and because that  
8 description may not be accurate on the effective date  
9 of the revision or at the time of a later reading. For  
10 the reader's convenience, the revised law includes a  
11 reference to the statutory description of the  
12 district's territory and to statutory authority to  
13 change the district's territory under Subchapter J,  
14 Chapter 49, Water Code, applicable to the district  
15 under Sections 49.001 and 49.002 of that chapter. The  
16 revised law also includes a reference to the general  
17 authority of the legislature to enact other laws to  
18 change the district's territory.

19 Revised Law

20 Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
21 All or any part of the area of the district is eligible to be  
22 included in:

23 (1) a tax increment reinvestment zone created by the  
24 City of Houston under Chapter 311, Tax Code;

25 (2) a tax abatement reinvestment zone created by the  
26 City of Houston under Chapter 312, Tax Code; or

27 (3) an enterprise zone created by the City of Houston  
28 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
29 997, Sec. 29.)

30 Source Law

31 Sec. 29. All or any part of the area of the  
32 district is eligible to be included in:

33 (1) a tax increment reinvestment zone  
34 created by the City of Houston under Chapter 311, Tax  
35 Code;

36 (2) a tax abatement reinvestment zone  
37 created by the City of Houston under Chapter 312, Tax  
38 Code; or

39 (3) an enterprise zone created by the City  
40 of Houston under Chapter 2303, Government Code.

1 Revised Law

2 Sec. 3820.007. APPLICABILITY OF OTHER LAW. Except as  
3 otherwise provided by this chapter, Chapter 375, Local Government  
4 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 997, Sec.  
5 7(a).)

6 Source Law

7 Sec. 7. (a) Except as otherwise provided by  
8 this Act, Chapter 375, Local Government Code, applies  
9 to the district.

10 Revised Law

11 Sec. 3820.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
12 chapter shall be construed liberally in conformity with the  
13 findings and purposes stated in this chapter. (Acts 78th Leg.,  
14 R.S., Ch. 997, Sec. 8.)

15 Source Law

16 Sec. 8. This Act shall be liberally construed in  
17 conformity with the findings and purposes stated in  
18 this Act.

19 Revisor's Note  
20 (End of Subchapter)

21 (1) Section 1(b), Chapter 997, Acts of the 78th  
22 Legislature, Regular Session, 2003, provides that the  
23 board may change the district's name by resolution.  
24 The revised law omits the provision because it  
25 duplicates Section 375.096(d), Local Government Code.  
26 Section 7(a), Chapter 997, Acts of the 78th  
27 Legislature, Regular Session, 2003 (revised in this  
28 chapter as Section 3820.007), provides that Chapter  
29 375, Local Government Code, applies to the district.  
30 The omitted law reads:

31 (b) The board by resolution may  
32 change the name of the district.

33 (2) Section 7(b), Chapter 997, Acts of the 78th  
34 Legislature, Regular Session, 2003, provides that the  
35 Code Construction Act (Chapter 311, Government Code)  
36 applies to the act. The revised law omits that  
37 provision because it duplicates Section 311.002,

1 Government Code (Code Construction Act), applicable to  
2 the revised law. The omitted law reads:

3 (b) Chapter 311, Government Code  
4 (Code Construction Act), applies to this  
5 Act.

6 [Sections 3820.009-3820.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Revised Law

9 Sec. 3820.051. COMPOSITION; TERMS. (a) Except as provided  
10 by Subsection (c), the district is governed by a board of 31 voting  
11 directors appointed under Section 3820.052 and nonvoting directors  
12 as provided by Section 3820.053.

13 (b) Voting directors serve staggered terms of four years,  
14 with 15 or 16 directors' terms expiring June 1 of each odd-numbered  
15 year.

16 (c) The board by resolution may decrease the number of  
17 directors on the board if the board finds it is in the best interest  
18 of the district. The board may not consist of fewer than five  
19 directors. (Acts 78th Leg., R.S., Ch. 997, Sec. 9.)

20 Source Law

21 Sec. 9. (a) The district is governed by a board  
22 of 31 voting directors appointed under Section 10 of  
23 this Act and nonvoting directors as provided by  
24 Section 11 of this Act.

25 (b) Voting directors serve staggered terms of  
26 four years, with 15 directors' terms expiring June 1 of  
27 an odd-numbered year and 16 directors' terms expiring  
28 June 1 of the following odd-numbered year.

29 (c) The board may decrease the number of  
30 directors on the board by resolution if the board finds  
31 that it is in the best interest of the district. The  
32 board may not consist of fewer than five directors.

33 Revised Law

34 Sec. 3820.052. APPOINTMENT OF DIRECTORS. The mayor and  
35 members of the governing body of the City of Houston shall appoint  
36 voting directors. A person is appointed if a majority of the  
37 members of the governing body, including the mayor, vote to appoint  
38 that person. (Acts 78th Leg., R.S., Ch. 997, Sec. 10.)

39 Source Law

40 Sec. 10. The mayor and members of the governing  
41 body of the City of Houston shall appoint voting  
42 directors. A person is appointed if a majority of the

1 members of the governing body, including the mayor,  
2 vote to appoint that person.

3 Revised Law

4 Sec. 3820.053. NONVOTING DIRECTORS. (a) The following  
5 persons shall serve as nonvoting directors:

6 (1) the directors of the following departments of the  
7 City of Houston or a person designated by that director:

8 (A) parks and recreation;

9 (B) planning and development;

10 (C) public works; and

11 (D) civic center; and

12 (2) the City of Houston's chief of police.

13 (b) If a department described by Subsection (a) is  
14 consolidated, renamed, or changed, the board may appoint a director  
15 of the consolidated, renamed, or changed department as a nonvoting  
16 director. If a department described by Subsection (a) is  
17 abolished, the board may appoint a representative of another  
18 department that performs duties comparable to those performed by  
19 the abolished department.

20 (c) Nonvoting directors are not counted for the purposes of  
21 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 997,  
22 Sec. 11.)

23 Source Law

24 Sec. 11. (a) The following persons shall serve  
25 as nonvoting directors:

26 (1) the directors of the following  
27 departments of the City of Houston or a person  
28 designated by that director:

29 (A) parks and recreation;

30 (B) planning and development;

31 (C) public works; and

32 (D) civic center; and

33 (2) the City of Houston's chief of police.

34 (b) If a department described by Subsection (a)  
35 of this section is consolidated, renamed, or changed,  
36 the board may appoint a director of the consolidated,  
37 renamed, or changed department as a nonvoting  
38 director. If a department described by Subsection (a)  
39 of this section is abolished, the board may appoint a  
40 representative of another department that performs  
41 duties comparable to those performed by the abolished  
42 department.

43 (c) Nonvoting directors are not counted for the  
44 purposes of establishing a quorum of the board.

1 Revised Law

2 Sec. 3820.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

3 (a) Except as provided by this section:

4 (1) a voting director may participate in all board  
5 votes and decisions; and

6 (2) Chapter 171, Local Government Code, governs  
7 conflicts of interest for voting directors.

8 (b) Section 171.004, Local Government Code, does not apply  
9 to the district. A director who has a substantial interest in a  
10 business or charitable entity that will receive a pecuniary benefit  
11 from a board action shall file a one-time affidavit declaring the  
12 interest. An additional affidavit is not required if the  
13 director's interest changes. After the affidavit is filed with the  
14 board secretary, the director may participate in a discussion or  
15 vote on that action if:

16 (1) a majority of the directors have a similar  
17 interest in the same entity; or

18 (2) all other similar business or charitable entities  
19 in the district will receive a similar pecuniary benefit.

20 (c) A director who is also an officer or employee of a public  
21 entity may not participate in the discussion of or vote on a matter  
22 regarding a contract with that public entity.

23 (d) For purposes of this section, a director has a  
24 substantial interest in a charitable entity in the same manner that  
25 a person would have a substantial interest in a business entity  
26 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
27 R.S., Ch. 997, Sec. 12.)

28 Source Law

29 Sec. 12. (a) Except as provided by this  
30 section:

31 (1) a voting director may participate in  
32 all board votes and decisions; and

33 (2) Chapter 171, Local Government Code,  
34 governs conflicts of interest for voting directors.

35 (b) Section 171.004, Local Government Code,  
36 does not apply to the district. A director who has a  
37 substantial interest in a business or charitable  
38 entity that will receive a pecuniary benefit from a  
39 board action shall file a one-time affidavit declaring  
40 the interest. An additional affidavit is not required



1 if the director's interest changes. After the  
2 affidavit is filed with the board secretary, the  
3 director may participate in a discussion or vote on  
4 that action if:

5 (1) a majority of the directors have a  
6 similar interest in the same entity; or

7 (2) all other similar business or  
8 charitable entities in the district will receive a  
9 similar pecuniary benefit.

10 (c) A director who is also an officer or  
11 employee of a public entity may not participate in the  
12 discussion of or vote on a matter regarding a contract  
13 with that same public entity.

14 (d) For purposes of this section, a director has  
15 a substantial interest in a charitable entity in the  
16 same manner that a person would have a substantial  
17 interest in a business entity under Section 171.002,  
18 Local Government Code.

19 Revised Law

20 Sec. 3820.055. INITIAL DIRECTORS. (a) The initial board  
21 consists of the following persons:

22	Pos. No.	Name of Director
23	1	Kay Crooker
24	2	Mike Garver
25	3	Jackie Martin
26	4	Mark Lee
27	5	John Chase, Jr.
28	6	Adrian Collins
29	7	Max Schuette
30	8	June Deadrick
31	9	Don Cutrer
32	10	Raju Adwaney
33	11	Mike Mark
34	12	Sia Ravari
35	13	Cherry Walker
36	14	John Hansen
37	15	John Dao
38	16	William Taylor
39	17	Karen Domino
40	18	Kevin Hoffman
41	19	Jeff Andrews
42	20	William Paul Thomas
43	21	Theola Petteway

1	22	Keith Wade
2	23	Chryisse Wilson
3	24	Sadie Rucker
4	25	Julie McClure
5	26	Angie Gomez
6	27	Tom Fricke
7	28	James Robert McDermaid
8	29	Kathy Hubbard
9	30	Marsha Johnson
10	31	Craig Jackson

11 (b) Of the initial directors, the terms of directors  
12 appointed for positions 1 through 15 expire June 1, 2005, and the  
13 terms of directors appointed for positions 16 through 31 expire  
14 June 1, 2007.

15 (c) Section 3820.052 does not apply to this section.

16 (d) This section expires September 1, 2007. (Acts 78th  
17 Leg., R.S., Ch. 997, Sec. 31.)

18 Source Law

19 Sec. 31. (a) The initial board consists of the  
20 following persons:

21	Pos. No.	Name of Director
22	1	Kay Crooker
23	2	Mike Garver
24	3	Jackie Martin
25	4	Mark Lee
26	5	John Chase, Jr.
27	6	Adrian Collins
28	7	Max Schuette
29	8	June Deadrick
30	9	Don Cutrer
31	10	Raju Adwaney
32	11	Mike Mark
33	12	Sia Ravari
34	13	Cherry Walker
35	14	John Hansen
36	15	John Dao
37	16	William Taylor
38	17	Karen Domino
39	18	Kevin Hoffman
40	19	Jeff Andrews
41	20	William Paul Thomas
42	21	Theola Petteway
43	22	Keith Wade
44	23	Chryisse Wilson
45	24	Sadie Rucker
46	25	Julie McClure
47	26	Angie Gomez
48	27	Tom Fricke
49	28	James Robert McDermaid
50	29	Kathy Hubbard

1                   30                   Marsha Johnson  
2                   31                   Craig Jackson

3           (b) Of the initial directors, the terms of  
4 directors appointed for positions 1 through 15 expire  
5 June 1, 2005, and the terms of directors appointed for  
6 positions 16 through 31 expire June 1, 2007.

7           (c) Section 10 of this Act does not apply to this  
8 section.

9           (d) This section expires September 1, 2007.

10           [Sections 3820.056-3820.100 reserved for expansion]

11                                   SUBCHAPTER C. POWERS AND DUTIES

12   Revised Law

13           Sec. 3820.101. ADDITIONAL POWERS OF DISTRICT. The district  
14 may exercise the powers given to:

15                   (1) a corporation under Section 4B, Development  
16 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
17 Statutes), including the power to own, operate, acquire, construct,  
18 lease, improve, and maintain projects described by that section;

19                   (2) a housing finance corporation under Chapter 394,  
20 Local Government Code, to provide housing or residential  
21 development projects in the district; and

22                   (3) a municipality under Chapter 380, Local Government  
23 Code. (Acts 78th Leg., R.S., Ch. 997, Secs. 13, 30 (part).)

24   Source Law

25           Sec. 13. The district may exercise the powers  
26 given to:

27                   (1) a corporation created under Section  
28 4B, Development Corporation Act of 1979 (Article  
29 5190.6, Vernon's Texas Civil Statutes), including the  
30 power to own, operate, acquire, construct, lease,  
31 improve, and maintain projects described by that  
32 section; and

33                   (2) a housing finance corporation created  
34 under Chapter 394, Local Government Code, to provide  
35 housing or residential development projects in the  
36 district.

37           Sec. 30. . . . The district has all of the  
38 powers and authority of a municipality under Chapter  
39 380, Local Government Code.

40   Revisor's Note

41           Section 30, Chapter 997, Acts of the 78th  
42 Legislature, Regular Session, 2003, provides that the  
43 district has the "powers and authority" of a  
44 municipality under Chapter 380, Local Government Code.  
45 The revised law omits "authority" because in this

1 context, the meaning of "authority" is included in the  
2 meaning of "powers."

3 Revised Law

4 Sec. 3820.102. NONPROFIT CORPORATION. (a) The board by  
5 resolution may authorize the creation of a nonprofit corporation to  
6 assist and act for the district in implementing a project or  
7 providing a service authorized by this chapter.

8 (b) The nonprofit corporation:

9 (1) has each power of and is considered for purposes of  
10 this chapter to be a local government corporation created under  
11 Chapter 431, Transportation Code; and

12 (2) may implement any project and provide any service  
13 authorized by this chapter.

14 (c) The board shall appoint the board of directors of the  
15 nonprofit corporation. The board of directors of the nonprofit  
16 corporation shall serve in the same manner as the board of directors  
17 of a local government corporation created under Chapter 431,  
18 Transportation Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 16.)

19 Source Law

20 Sec. 16. (a) The board by resolution may  
21 authorize the creation of a nonprofit corporation to  
22 assist and act on behalf of the district in  
23 implementing a project or providing a service  
24 authorized by this Act.

25 (b) The board shall appoint the board of  
26 directors of a nonprofit corporation. The board of  
27 directors of the nonprofit corporation shall serve in  
28 the same manner as the board of directors of a local  
29 government corporation created under Chapter 431,  
30 Transportation Code.

31 (c) The nonprofit corporation:

32 (1) has the powers of and is considered for  
33 purposes of this Act to be a local government  
34 corporation created under Chapter 431, Transportation  
35 Code; and

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

38 Revised Law

39 Sec. 3820.103. AGREEMENTS; GRANTS. (a) The district may  
40 make an agreement with or accept a gift, grant, or loan from any  
41 person.

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

1 Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 14.)

2 Source Law

3 Sec. 14. (a) The district may make an agreement  
4 with or accept a gift, grant, or loan from any person.

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

8 Revised Law

9 Sec. 3820.104. LAW ENFORCEMENT SERVICES. To protect the  
10 public interest, the district may contract with Harris County or  
11 the City of Houston to provide law enforcement services in the  
12 district for a fee. (Acts 78th Leg., R.S., Ch. 997, Sec. 15.)

13 Source Law

14 Sec. 15. To protect the public interest, the  
15 district may contract with Harris County or the City of  
16 Houston to provide law enforcement services in the  
17 district for a fee.

18 Revised Law

19 Sec. 3820.105. COMPETITIVE BIDDING. Section 375.221, Local  
20 Government Code, applies to the district only for a contract that  
21 has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 997,  
22 Sec. 25.)

23 Source Law

24 Sec. 25. Section 375.221, Local Government  
25 Code, applies to the district only for a contract that  
26 has a value of more than \$15,000.

27 Revised Law

28 Sec. 3820.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
29 district may join and pay dues to an organization that:

30 (1) enjoys tax-exempt status under Section 501(c)(3),  
31 (4), or (6), Internal Revenue Code of 1986, as amended; and

32 (2) performs a service or provides an activity  
33 consistent with the furtherance of a district purpose. (Acts 78th  
34 Leg., R.S., Ch. 997, Sec. 28.)

35 Source Law

36 Sec. 28. The district may join and pay dues to  
37 an organization that:

38 (1) enjoys tax-exempt status under Section  
39 501(c)(3), 501(c)(4), or 501(c)(6), Internal Revenue  
40 Code of 1986 (26 U.S.C. Section 501(c)), as amended;  
41 and

42 (2) performs services or provides

1 activities consistent with the furtherance of the  
2 purposes of the district.

3 Revised Law

4 Sec. 3820.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
5 may establish and provide for the administration of one or more  
6 programs to promote state or local economic development and to  
7 stimulate business and commercial activity in the district,  
8 including programs to:

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

10 (2) provide district personnel and services. (Acts  
11 78th Leg., R.S., Ch. 997, Sec. 30 (part).)

12 Source Law

13 Sec. 30. The district may establish and provide  
14 for the administration of one or more programs,  
15 including programs for making loans and grants of  
16 public money and providing personnel and services of  
17 the district, to promote state or local economic  
18 development and to stimulate business and commercial  
19 activity in the district. . . .

20 [Sections 3820.108-3820.150 reserved for expansion]

21 SUBCHAPTER D. FINANCIAL PROVISIONS

22 Revised Law

23 Sec. 3820.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
24 board by resolution shall establish the number of directors'  
25 signatures and the procedure required for a disbursement or  
26 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 997,  
27 Sec. 24.)

28 Source Law

29 Sec. 24. The board by resolution shall  
30 establish the number of directors' signatures and the  
31 procedure required for a disbursement or transfer of  
32 the district's money.

33 Revised Law

34 Sec. 3820.152. TAX AND BOND ELECTIONS. (a) The district  
35 shall hold an election in the manner provided by Subchapter L,  
36 Chapter 375, Local Government Code, to obtain voter approval before  
37 the district imposes a maintenance tax or issues bonds payable from  
38 ad valorem taxes.

39 (b) The board may not submit multiple purposes in a single  
40 proposition at an election.

1 (c) Section 375.243, Local Government Code, does not apply  
2 to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 18.)

3 Source Law

4 Sec. 18. (a) The district shall hold an  
5 election in the manner provided by Subchapter L,  
6 Chapter 375, Local Government Code, to obtain voter  
7 approval before the district imposes a maintenance tax  
8 or issues bonds payable from ad valorem taxes.

9 (b) The board may not submit multiple purposes  
10 in a single proposition at an election.

11 (c) Section 375.243, Local Government Code,  
12 does not apply to the district.

13 Revised Law

14 Sec. 3820.153. MAINTENANCE AND OPERATION TAX. (a) If  
15 authorized at an election held in accordance with Section 3820.152,  
16 the district may impose an annual ad valorem tax on taxable property  
17 in the district for the:

18 (1) maintenance and operation of the district and the  
19 improvements constructed or acquired by the district; or

20 (2) provision of a service.

21 (b) The board shall determine the tax rate. (Acts 78th  
22 Leg., R.S., Ch. 997, Sec. 19.)

23 Source Law

24 Sec. 19. (a) If authorized at an election held  
25 in accordance with Section 18 of this Act, the district  
26 may impose an annual ad valorem tax on taxable property  
27 in the district for the:

28 (1) maintenance and operation of the  
29 district and the improvements constructed or acquired  
30 by the district; or

31 (2) provision of a service.

32 (b) The board shall determine the tax rate.

33 Revised Law

34 Sec. 3820.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
35 The board by resolution may impose an assessment for any purpose  
36 authorized by this chapter.

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

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

1 assessed;

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

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

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

12 (d) The board may make a correction to or deletion from the  
13 assessment roll that does not increase the amount of assessment of  
14 any parcel of land without providing notice and holding a hearing in  
15 the manner required for additional assessments. (Acts 78th Leg.,  
16 R.S., Ch. 997, Sec. 20.)

17 Source Law

18 Sec. 20. (a) The board by resolution may impose  
19 and collect an assessment for any purpose authorized  
20 by this Act.

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

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

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

32 (3) are the personal liability of and  
33 charge against the owners of the property even if the  
34 owners are not named in the assessment proceedings.

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

40 (d) The board may make corrections to or  
41 deletions from the assessment roll without providing  
42 notice and holding a hearing in the manner required for  
43 additional assessments, if the corrections or  
44 deletions do not increase the amount of assessment of  
45 any parcel of land.

46 Revisor's Note

47 Section 20, Chapter 997, Acts of the 78th  
48 Legislature, Regular Session, 2003, provides that the



1 board by resolution "may impose and collect" an  
2 assessment. The revised law omits the reference to the  
3 authority to collect the assessment because the  
4 authority to impose an assessment necessarily implies  
5 the authority to collect it.

6 Revised Law

7 Sec. 3820.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
8 IMPROVEMENTS. (a) The board may not finance a service or  
9 improvement project with assessments under this chapter unless a  
10 written petition requesting that service or improvement has been  
11 filed with the board.

12 (b) The petition must be signed by the owners of a majority  
13 of the assessed value of real property in the district subject to  
14 assessment according to the most recent certified tax appraisal  
15 roll for Harris County. (Acts 78th Leg., R.S., Ch. 997, Sec. 17.)

16 Source Law

17 Sec. 17. The board may not finance a service or  
18 improvement project with assessments under this Act  
19 unless a written petition requesting that improvement  
20 or service has been filed with the board. The petition  
21 must be signed by the owners of a majority of the  
22 assessed value of real property in the district  
23 subject to assessment as determined by the most recent  
24 certified tax appraisal roll for Harris County.

25 Revised Law

26 Sec. 3820.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
27 ASSESSMENTS. The district may not impose an impact fee or  
28 assessment on the property, including the equipment,  
29 rights-of-way, facilities, or improvements, of:

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

32 (2) a gas utility as defined by Section 101.003 or  
33 121.001, Utilities Code;

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

36 (4) a cable operator as defined by 47 U.S.C. Section  
37 522, as amended. (Acts 78th Leg., R.S., Ch. 997, Sec. 21.)

1 Source Law

2 Sec. 21. The district may not impose an impact  
3 fee or assessment on the property, including the  
4 equipment, rights-of-way, facilities, or  
5 improvements, of an electric utility or a power  
6 generation company as defined by Section 31.002,  
7 Utilities Code, or a gas utility as defined by Section  
8 101.003 or 121.001, Utilities Code, or a  
9 telecommunications provider as defined by Section  
10 51.002, Utilities Code, or a cable operator as defined  
11 by 47 U.S.C. Section 522 and its subsequent  
12 amendments.

13 Revised Law

14 Sec. 3820.157. BONDS AND OTHER OBLIGATIONS. (a) The  
15 district may issue bonds or other obligations payable wholly or  
16 partly from ad valorem taxes, assessments, impact fees, revenue,  
17 grants, or other money of the district, or any combination of those  
18 sources of money, to pay for any authorized purpose of the district.

19 (b) In exercising the district's power to borrow, the  
20 district may issue a bond or other obligation in the form of a bond,  
21 note, certificate of participation or other instrument evidencing a  
22 proportionate interest in payments to be made by the district, or  
23 other type of obligation. (Acts 78th Leg., R.S., Ch. 997, Sec. 22.)

24 Source Law

25 Sec. 22. (a) The district may issue bonds or  
26 other obligations payable in whole or in part from ad  
27 valorem taxes, assessments, impact fees, revenue,  
28 grants, or other money of the district, or any  
29 combination of those sources of money, to pay for any  
30 authorized purpose of the district.

31 (b) In exercising the district's borrowing  
32 power, the district may issue a bond or other  
33 obligation in the form of a bond, note, certificate of  
34 participation or other instrument evidencing a  
35 proportionate interest in payments to be made by the  
36 district, or other type of obligation.

37 Revised Law

38 Sec. 3820.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
39 OBLIGATIONS. Except as provided by Section 375.263, Local  
40 Government Code, the City of Houston is not required to pay a bond,  
41 note, or other obligation of the district. (Acts 78th Leg., R.S.,  
42 Ch. 997, Sec. 23.)

43 Source Law

44 Sec. 23. Except as provided by Section 375.263,  
45 Local Government Code, the City of Houston is not  
46 required to pay a bond, note, or other obligation of

1 the district.

2 Revised Law

3 Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS. The district  
4 may grant in the manner authorized by Chapter 312, Tax Code, an  
5 abatement for a tax or assessment owed to the district. (Acts 78th  
6 Leg., R.S., Ch. 997, Sec. 27.)

7 Source Law

8 Sec. 27. The district may grant in the manner  
9 authorized by Chapter 312, Tax Code, an abatement for a  
10 tax or assessment owed to the district.

11 [Sections 3820.160-3820.200 reserved for expansion]

12 SUBCHAPTER E. DISSOLUTION

13 Revised Law

14 Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
15 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
16 that has debt. If the vote is in favor of dissolution, the district  
17 shall remain in existence solely for the limited purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20 (b) Section 375.264, Local Government Code, does not apply  
21 to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 26.)

22 Source Law

23 Sec. 26. (a) The board may vote to dissolve a  
24 district that has debt. If the vote is in favor of  
25 dissolution, the district shall remain in existence  
26 solely for the limited purpose of discharging its  
27 debts. The dissolution is effective when all debts  
28 have been discharged.

29 (b) Section 375.264, Local Government Code,  
30 does not apply to the district.

31 Revisor's Note  
32 (End of Chapter)

33 Section 32, Chapter 997, Acts of the 78th  
34 Legislature, Regular Session, 2003, recites  
35 legislative findings regarding procedural  
36 requirements for the creation of the district under  
37 the constitution and other laws and rules, including  
38 proper legal notice, filing of recommendations, and  
39 consent by other governmental entities to the creation  
40 of the district. The revised law omits these

1 provisions as executed. The omitted law reads:

2 Sec. 32. The legislature finds that:

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

15 (2) the Texas Commission on  
16 Environmental Quality has filed its  
17 recommendations relating to this Act with  
18 the governor, lieutenant governor, and  
19 speaker of the house of representatives  
20 within the required time;

21 (3) the general law relating to  
22 consent by political subdivisions to the  
23 creation of districts with conservation,  
24 reclamation, and road powers and the  
25 inclusion of land in those districts has  
26 been complied with; and

27 (4) all requirements of the  
28 constitution and laws of this state and the  
29 rules and procedures of the legislature  
30 with respect to the notice, introduction,  
31 and passage of this Act have been fulfilled  
32 and accomplished.

33 CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

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32 CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

33 SUBCHAPTER A. GENERAL PROVISIONS

1 Revised Law

2 Sec. 3821.001. DEFINITIONS. In this chapter:

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

5 (2) "District" means the Downtown Midland Management  
6 District. (Acts 78th Leg., R.S., Ch. 1160, Sec. 2.)

7 Source Law

8 Sec. 2. In this Act:

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

11 (2) "District" means the Downtown Midland  
12 Management District.

13 Revised Law

14 Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT. The  
15 Downtown Midland Management District is a special district created  
16 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
17 Leg., R.S., Ch. 1160, Sec. 1(a).)

18 Source Law

19 Sec. 1. (a) The Downtown Midland Management  
20 District is a special district created under Section  
21 59, Article XVI, Texas Constitution.

22 Revised Law

23 Sec. 3821.003. PURPOSE; DECLARATION OF INTENT. (a) The  
24 creation of the district is essential to accomplish the purposes of  
25 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
26 Texas Constitution, and other public purposes stated in this  
27 chapter. By creating the district and in authorizing the City of  
28 Midland, Midland County, and other political subdivisions to  
29 contract with the district, the legislature has established a  
30 program to accomplish the public purposes set out in Section 52-a,  
31 Article III, Texas Constitution.

32 (b) The creation of the district is necessary to promote,  
33 develop, encourage, and maintain employment, commerce,  
34 transportation, housing, tourism, recreation, the arts,  
35 entertainment, economic development, safety, and the public  
36 welfare in the area of the district.

37 (c) This chapter and the creation of the district may not be

1 interpreted to relieve Midland County or the City of Midland from  
2 providing the level of services provided, as of June 20, 2003, to  
3 the area in the district. The district is created to supplement and  
4 not to supplant the county or city services provided in the area in  
5 the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 3.)

6 Source Law

7 Sec. 3. (a) The creation of the district is  
8 essential to accomplish the purposes of Sections 52  
9 and 52-a, Article III, and Section 59, Article XVI,  
10 Texas Constitution, and other public purposes stated  
11 in this Act.

12 (b) The creation of the district is necessary to  
13 promote, develop, encourage, and maintain employment,  
14 commerce, transportation, housing, tourism,  
15 recreation, the arts, entertainment, economic  
16 development, safety, and the public welfare in the  
17 area of the district.

18 (c) The creation of the district and this  
19 legislation may not be interpreted to relieve Midland  
20 County or the City of Midland from providing the level  
21 of services provided, as of the effective date of this  
22 Act, to the area in the district. The district is  
23 created to supplement and not to supplant the county or  
24 city services provided in the area in the district.

25 (d) By creating the district and in authorizing  
26 the City of Midland, Midland County, and other  
27 political subdivisions to contract with the district,  
28 the legislature has established a program to  
29 accomplish the public purposes set out in Section  
30 52-a, Article III, Texas Constitution.

31 Revisor's Note

32 Section 3(c), Chapter 1160, Acts of the 78th  
33 Legislature, Regular Session, 2003, refers to "the  
34 effective date of this Act." For the convenience of  
35 the reader, the revised law substitutes for that  
36 phrase the act's effective date, June 20, 2003.

37 Revised Law

38 Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
39 The district is created to serve a public use and benefit.

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

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

1 (1) further the public purposes of development and  
2 diversification of the economy of the state;

3 (2) eliminate unemployment and underemployment; and

4 (3) develop or expand transportation and commerce.

5 (d) The district will:

6 (1) promote the health, safety, and general welfare of  
7 residents, employers, employees, visitors, and consumers in the  
8 district, and of the public;

9 (2) provide needed funding to preserve, maintain, and  
10 enhance the economic health and vitality of the district as a  
11 community and business center; and

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

16 (e) Pedestrian ways along or across a street, whether at  
17 grade or above or below the surface, and street lighting, street  
18 landscaping, and street art objects are parts of and necessary  
19 components of a street and are considered to be a street or road  
20 improvement.

21 (f) The district will not act as the agent or  
22 instrumentality of any private interest even though the district  
23 will benefit many private interests, as well as the public. (Acts  
24 78th Leg., R.S., Ch. 1160, Sec. 6.)

25 Source Law

26 Sec. 6. (a) The district is created to serve a  
27 public use and benefit. All the land and other  
28 property included in the district will benefit from  
29 the improvements and services to be provided by the  
30 district under powers conferred by Sections 52 and  
31 52-a, Article III, and Section 59, Article XVI, Texas  
32 Constitution, and other powers granted under this  
33 chapter.

34 (b) The creation of the district is in the  
35 public interest and is essential to:

36 (1) further the public purposes of  
37 development and diversification of the economy of the  
38 state; and

39 (2) eliminate unemployment and  
40 underemployment and develop or expand transportation  
41 and commerce.

42 (c) The district will:

43 (1) promote the health, safety, and



1 general welfare of residents, employers, employees,  
2 visitors, and consumers in the district, and the  
3 public;

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

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

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

19 (e) The district will not act as the agent or  
20 instrumentality of any private interest even though  
21 the district will benefit many private interests, as  
22 well as the public.

23 Revised Law

24 Sec. 3821.005. DISTRICT TERRITORY. (a) The district is  
25 composed of the territory described by Section 4, Chapter 1160,  
26 Acts of the 78th Legislature, Regular Session, 2003, as that  
27 territory may have been modified under:

28 (1) Section 3821.108 or its predecessor statute,  
29 former Section 27, Chapter 1160, Acts of the 78th Legislature,  
30 Regular Session, 2003;

31 (2) Subchapter J, Chapter 49, Water Code; or

32 (3) other law.

33 (b) The boundaries and field notes of the district contained  
34 in Section 4, Chapter 1160, Acts of the 78th Legislature, Regular  
35 Session, 2003, form a closure. A mistake made in the field notes or  
36 in copying the field notes in the legislative process does not in  
37 any way affect the district's:

38 (1) organization, existence, or validity;

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

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

43 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
44 1160, Sec. 5; New.)

1 Source Law

2 Sec. 5. The boundaries and field notes of the  
3 district form a closure. If a mistake is made in the  
4 field notes or in copying the field notes in the  
5 legislative process, the mistake does not in any way  
6 affect the district's:

- 7 (1) organization, existence, or validity;  
8 (2) right to issue any type of bond for a  
9 purpose for which the district is created or to pay the  
10 principal of and interest on a bond;  
11 (3) right to impose or collect an  
12 assessment or tax; or  
13 (4) legality or operation.

14 Revisor's Note

15 The revision of the law governing the district  
16 does not revise the statutory language describing the  
17 territory of the district to avoid the lengthy  
18 recitation of the description and because that  
19 description may not be accurate on the effective date  
20 of the revision or at the time of a later reading. For  
21 the reader's convenience, the revised law includes a  
22 reference to the statutory description of the  
23 district's territory and references to statutory  
24 authority to change the district's territory under  
25 Section 27, Chapter 1160, Acts of the 78th  
26 Legislature, Regular Session, 2003 (revised in this  
27 chapter as Section 3821.108), and under Subchapter J,  
28 Chapter 49, Water Code, applicable to the district  
29 under Sections 49.001 and 49.002 of that chapter. The  
30 revised law also includes a reference to the general  
31 authority of the legislature to enact other laws to  
32 change the district's territory.

33 Revised Law

34 Sec. 3821.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
35 All or any part of the area of the district is eligible to be  
36 included in:

- 37 (1) a tax increment reinvestment zone created by the  
38 City of Midland under Chapter 311, Tax Code;  
39 (2) a tax abatement reinvestment zone created by the  
40 City of Midland under Chapter 312, Tax Code; or

1 (3) an enterprise zone created by the City of Midland  
2 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
3 1160, Sec. 30.)

4 Source Law

5 Sec. 30. All or any part of the area of the  
6 district is eligible to be included in:

7 (1) a tax increment reinvestment zone  
8 created by the municipality under Chapter 311, Tax  
9 Code;

10 (2) a tax abatement reinvestment zone  
11 created by the municipality under Chapter 312, Tax  
12 Code; or

13 (3) an enterprise zone created by the  
14 municipality under Chapter 2303, Government Code.

15 Revisor's Note

16 Section 30, Chapter 1160, Acts of the 78th  
17 Legislature, Regular Session, 2003, refers to "the  
18 municipality." The revised law substitutes "City of  
19 Midland" for the quoted language because it is clear  
20 from Sections 3(c) and (d) and Section 10, Chapter  
21 1160, Acts of the 78th Legislature, Regular Session,  
22 2003, that the legislature intended the City of  
23 Midland to be the municipality with which this  
24 district operates.

25 Revised Law

26 Sec. 3821.007. APPLICABILITY OF OTHER LAW. Except as  
27 otherwise provided by this chapter, Chapter 375, Local Government  
28 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1160,  
29 Sec. 7(a).)

30 Source Law

31 Sec. 7. (a) Except as otherwise provided by  
32 this Act, Chapter 375, Local Government Code, applies  
33 to the district.

34 Revised Law

35 Sec. 3821.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
36 chapter shall be construed liberally in conformity with the  
37 findings and purposes stated in this chapter. (Acts 78th Leg.,  
38 R.S., Ch. 1160, Sec. 8.)

39 Source Law

40 Sec. 8. This Act shall be liberally construed in

1 conformity with the findings and purposes stated in  
2 this Act.

3 Revisor's Note  
4 (End of Subchapter)

5 (1) Section 1(b), Chapter 1160, Acts of the 78th  
6 Legislature, Regular Session, 2003, provides that the  
7 board by resolution may change the name of the  
8 district. The revised law omits the provision because  
9 it duplicates Section 375.096(d), Local Government  
10 Code. Section 7(a), Chapter 1160, Acts of the 78th  
11 Legislature, Regular Session, 2003 (revised in this  
12 chapter as Section 3821.007), provides that Chapter  
13 375, Local Government Code, applies to the district.  
14 Throughout this chapter, provisions that duplicate  
15 provisions of Chapter 375, Local Government Code, have  
16 been omitted. The relevant sections of Chapter 375 are  
17 cited in revisor's notes. The omitted law reads:

18 (b) The board by resolution may  
19 change the name of the district.

20 (2) Section 7(b), Chapter 1160, Acts of the 78th  
21 Legislature, Regular Session, 2003, provides that the  
22 Code Construction Act (Chapter 311, Government Code)  
23 applies to the act. The revised law omits that  
24 provision because it duplicates Section 311.002,  
25 Government Code (Code Construction Act), applicable to  
26 the revised law. The omitted law reads:

27 (b) Chapter 311, Government Code  
28 (Code Construction Act), applies to this  
29 Act.

30 [Sections 3821.009-3821.050 reserved for expansion]

31 SUBCHAPTER B. BOARD OF DIRECTORS

32 Revised Law

33 Sec. 3821.051. COMPOSITION; TERMS. (a) Except as provided  
34 by Subsection (c), the district is governed by a board of nine  
35 voting directors appointed under Section 3821.052 and nonvoting  
36 directors as provided by Section 3821.053.

37 (b) Voting directors serve staggered terms of four years,

1 with four or five directors' terms expiring June 1 of each  
2 odd-numbered year.

3 (c) The board by resolution may increase or decrease the  
4 number of directors on the board if the board finds it is in the best  
5 interest of the district. The board may not consist of fewer than 7  
6 or more than 13 directors. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
7 9.)

8 Source Law

9 Sec. 9. (a) The district is governed by a board  
10 of nine voting directors appointed under Section 10 of  
11 this Act and nonvoting directors as provided by  
12 Section 11 of this Act.

13 (b) Voting directors serve staggered terms of  
14 four years, with four directors' terms expiring June 1  
15 of an odd-numbered year and five directors' terms  
16 expiring June 1 of the following odd-numbered year.

17 (c) The board may increase or decrease the  
18 number of directors on the board by resolution if the  
19 board finds that it is in the best interest of the  
20 district. The board may not consist of fewer than  
21 seven or more than 13 directors.

22 Revised Law

23 Sec. 3821.052. APPOINTMENT OF DIRECTORS. The board shall  
24 nominate a slate of persons to serve on the succeeding board as  
25 voting directors. The members of the governing body of the City of  
26 Midland shall appoint as voting directors the slate of persons  
27 nominated by the board. (Acts 78th Leg., R.S., Ch. 1160, Sec. 10.)

28 Source Law

29 Sec. 10. The board shall nominate a slate of  
30 persons to serve on the succeeding board as voting  
31 directors. The members of the governing body of the  
32 City of Midland shall appoint as voting directors the  
33 slate of persons nominated by the board.

34 Revised Law

35 Sec. 3821.053. NONVOTING DIRECTORS. (a) The following  
36 persons serve as nonvoting directors:

37 (1) the directors of the following departments of the  
38 City of Midland or a person designated by that director:

- 39 (A) parks and recreation;  
40 (B) planning and zoning; and  
41 (C) public works; and

42 (2) the city manager of the City of Midland or a person

1 designated by the city manager.

2 (b) If a department described by Subsection (a) is  
3 consolidated, renamed, or changed, the board may appoint a director  
4 of the consolidated, renamed, or changed department as a nonvoting  
5 director. If a department described by Subsection (a) is abolished,  
6 the board may appoint a representative of another department that  
7 performs duties comparable to those performed by the abolished  
8 department.

9 (c) Nonvoting directors are not counted for the purposes of  
10 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch.  
11 1160, Sec. 11.)

12 Source Law

13 Sec. 11. (a) The following persons serve as  
14 nonvoting directors:

15 (1) the directors of the following  
16 departments of the City of Midland or their designees:

17 (A) parks and recreation;

18 (B) planning and zoning; and

19 (C) public works; and

20 (2) the city manager of the City of Midland  
21 or the city manager's designee.

22 (b) If an agency, department, or division  
23 described by Subsection (a) of this section is  
24 consolidated, renamed, or changed, the board may  
25 appoint a director of the consolidated, renamed, or  
26 changed agency, department, or division as a nonvoting  
27 director. If an agency, department, or division  
28 described by Subsection (a) of this section is  
29 abolished, the board may appoint a representative of  
30 another agency, department, or division that performs  
31 duties comparable to those performed by the abolished  
32 entity.

33 (c) Nonvoting directors are not counted for the  
34 purposes of establishing a quorum of the board.

35 Revisor's Note

36 Section 11(b), Chapter 1160, Acts of the 78th  
37 Legislature, Regular Session, 2003, refers to an  
38 "agency, department, or division described by  
39 Subsection (a)" of Section 11. The revised law omits  
40 the references to "agency" and "division" because  
41 Section 11(a) refers only to "departments" and  
42 because, in this context, the terms are synonymous.

43 Revised Law

44 Sec. 3821.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

45 (a) Except as provided by this section:

1 (1) a director may participate in all board votes and  
2 decisions; and

3 (2) Chapter 171, Local Government Code, governs  
4 conflicts of interest for directors.

5 (b) Section 171.004, Local Government Code, does not apply  
6 to the district. A director who has a substantial interest in a  
7 business or charitable entity that will receive a pecuniary benefit  
8 from a board action shall file a one-time affidavit declaring the  
9 interest. An additional affidavit is not required if the  
10 director's interest changes. After the affidavit is filed with the  
11 board secretary, the director may participate in a discussion or  
12 vote on that action if:

13 (1) a majority of the directors have a similar  
14 interest in the same entity; or

15 (2) all other similar business or charitable entities  
16 in the district will receive a similar pecuniary benefit.

17 (c) A director who is also an officer or employee of a public  
18 entity may not participate in the discussion of or vote on a matter  
19 regarding a contract with that public entity.

20 (d) For purposes of this section, a director has a  
21 substantial interest in a charitable entity in the same manner that  
22 a person would have a substantial interest in a business entity  
23 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
24 R.S., Ch. 1160, Sec. 12.)

25 Source Law

26 Sec. 12. (a) Except as provided by this section:

27 (1) a director may participate in all  
28 board votes and decisions; and

29 (2) Chapter 171, Local Government Code,  
30 governs conflicts of interest for directors.

31 (b) Section 171.004, Local Government Code,  
32 does not apply to the district. A director who has a  
33 substantial interest in a business or charitable  
34 entity that will receive a pecuniary benefit from a  
35 board action shall file a one-time affidavit declaring  
36 the interest. An additional affidavit is not required  
37 if the director's interest changes. After the  
38 affidavit is filed with the board secretary, the  
39 director may participate in a discussion or vote on  
40 that action if:

41 (1) a majority of the directors have a  
42 similar interest in the same entity; or

43 (2) all other similar business or

1 charitable entities in the district will receive a  
2 similar pecuniary benefit.

3 (c) A director who is also an officer or  
4 employee of a public entity may not participate in the  
5 discussion of or vote on a matter regarding a contract  
6 with that same public entity.

7 (d) For purposes of this section, a director has  
8 a substantial interest in a charitable entity in the  
9 same manner that a person would have a substantial  
10 interest in a business entity under Section 171.002,  
11 Local Government Code.

12 Revised Law

13 Sec. 3821.055. INITIAL DIRECTORS. (a) The initial board  
14 consists of the following persons:

15	Pos. No.	Name of Director
16	1	W. L. "Scooter" Brown
17	2	Wes Perry
18	3	Ted Jones
19	4	Jon Morgan
20	5	Gerald Borrón
21	6	Dub House
22	7	Lois Trombley
23	8	Mike Black
24	9	Christi Newton

25 (b) Of the initial directors, the terms of directors  
26 appointed for positions 1 through 5 expire June 1, 2007, and the  
27 terms of directors appointed for positions 6 through 9 expire June  
28 1, 2005.

29 (c) Section 3821.052 does not apply to this section.

30 (d) This section expires September 1, 2007. (Acts 78th  
31 Leg., R.S., Ch. 1160, Sec. 32.)

32 Source Law

33 Sec. 32. (a) The initial board consists of the  
34 following persons:

35	Pos. No.	Name of Director
36	1	W. L. "Scooter" Brown
37	2	Wes Perry
38	3	Ted Jones
39	4	Jon Morgan
40	5	Gerald Borrón
41	6	Dub House
42	7	Lois Trombley
43	8	Mike Black
44	9	Christi Newton

45 (b) Of the initial directors, the terms of  
46 directors appointed for positions 1 through 5 expire  
47 June 1, 2007, and the terms of directors appointed for



1 positions 6 through 9 expire June 1, 2005.

2 (c) Section 10 of this Act does not apply to this  
3 section.

4 (d) This section expires September 1, 2007.

5 [Sections 3821.056-3821.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Revised Law

8 Sec. 3821.101. ADDITIONAL POWERS OF DISTRICT. The district  
9 may exercise the powers given to:

10 (1) a corporation under Section 4B, Development  
11 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
12 Statutes), including the power to own, operate, acquire, construct,  
13 lease, improve, and maintain projects described by that section;  
14 and

15 (2) a housing finance corporation under Chapter 394,  
16 Local Government Code, to provide housing or residential  
17 development projects in the district. (Acts 78th Leg., R.S., Ch.  
18 1160, Sec. 13.)

19 Source Law

20 Sec. 13. The district may exercise the powers  
21 given to:

22 (1) a corporation created under Section  
23 4B, Development Corporation Act of 1979 (Article  
24 5190.6, Vernon's Texas Civil Statutes), including the  
25 power to own, operate, acquire, construct, lease,  
26 improve, and maintain projects described by that  
27 section; and

28 (2) a housing finance corporation created  
29 under Chapter 394, Local Government Code, to provide  
30 housing or residential development projects in the  
31 district.

32 Revised Law

33 Sec. 3821.102. NONPROFIT CORPORATION. (a) The board by  
34 resolution may authorize the creation of a nonprofit corporation to  
35 assist and act for the district in implementing a project or  
36 providing a service authorized by this chapter.

37 (b) The nonprofit corporation:

38 (1) has each power of and is considered for purposes of  
39 this chapter to be a local government corporation created under  
40 Chapter 431, Transportation Code; and

41 (2) may implement any project and provide any service  
42 authorized by this chapter.

1 (c) The board shall appoint the board of directors of the  
2 nonprofit corporation. The board of directors of the nonprofit  
3 corporation shall serve in the same manner as the board of directors  
4 of a local government corporation created under Chapter 431,  
5 Transportation Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 16.)

6 Source Law

7 Sec. 16. (a) The board by resolution may  
8 authorize the creation of a nonprofit corporation to  
9 assist and act on behalf of the district in  
10 implementing a project or providing a service  
11 authorized by this Act.

12 (b) The board shall appoint the board of  
13 directors of a nonprofit corporation created under  
14 this section. The board of directors of the nonprofit  
15 corporation shall serve in the same manner as the board  
16 of directors of a local government corporation created  
17 under Chapter 431, Transportation Code.

18 (c) A nonprofit corporation created under this  
19 section has the powers of and is considered for  
20 purposes of this Act to be a local government  
21 corporation created under Chapter 431, Transportation  
22 Code.

23 (d) A nonprofit corporation created under this  
24 section may implement any project and provide any  
25 service authorized by this Act.

26 Revised Law

27 Sec. 3821.103. AGREEMENTS; GRANTS. (a) The district may  
28 make an agreement with or accept a gift, grant, or loan from any  
29 person.

30 (b) The implementation of a project is a governmental  
31 function or service for the purposes of Chapter 791, Government  
32 Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 14.)

33 Source Law

34 Sec. 14. (a) The district may make an agreement  
35 with or accept a gift, grant, or loan from any person.

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

39 Revised Law

40 Sec. 3821.104. LAW ENFORCEMENT SERVICES. To protect the  
41 public interest, the district may contract with Midland County or  
42 the City of Midland to provide law enforcement services in the  
43 district for a fee. (Acts 78th Leg., R.S., Ch. 1160, Sec. 15.)

44 Source Law

45 Sec. 15. To protect the public interest, the  
46 district may contract with Midland County or the City

1 of Midland to provide law enforcement services in the  
2 district for a fee.

3 Revised Law

4 Sec. 3821.105. COMPETITIVE BIDDING. Section 375.221, Local  
5 Government Code, applies to the district only for a contract that  
6 has a value greater than \$50,000. (Acts 78th Leg., R.S., Ch. 1160,  
7 Sec. 25.)

8 Source Law

9 Sec. 25. Section 375.221, Local Government Code,  
10 applies to the district only for a contract that has a  
11 value greater than \$50,000.

12 Revised Law

13 Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
14 district may join and pay dues to an organization that:

15 (1) enjoys tax-exempt status under Section 501(c)(3),  
16 (4), or (6), Internal Revenue Code of 1986, as amended; and

17 (2) performs a service or provides an activity  
18 consistent with the furtherance of a district purpose. (Acts 78th  
19 Leg., R.S., Ch. 1160, Sec. 29.)

20 Source Law

21 Sec. 29. The district may join and pay dues to an  
22 organization that:

23 (1) enjoys tax-exempt status under Section  
24 501(c)(3), 501(c)(4), or 501(c)(6), Internal Revenue  
25 Code of 1986 (26 U.S.C. Section 501), as amended; and

26 (2) performs services or provides  
27 activities consistent with the furtherance of the  
28 purposes of the district.

29 Revised Law

30 Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
31 district may establish and provide for the administration of one or  
32 more programs to promote state or local economic development and to  
33 stimulate business and commercial activity in the district,  
34 including programs to:

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

36 (2) provide district personnel and services.

37 (b) For purposes of this section, the district has all of  
38 the powers of a municipality under Chapter 380, Local Government  
39 Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 31.)

1 Source Law

2 Sec. 31. (a) The district may establish and  
3 provide for the administration of one or more  
4 programs, including programs for making loans and  
5 grants of public money and providing personnel and  
6 services of the district, to promote state or local  
7 economic development and to stimulate business and  
8 commercial activity in the district.

9 (b) For purposes of this section, the district  
10 has all of the powers and authority of a municipality  
11 under Chapter 380, Local Government Code.

12 Revisor's Note

13 Section 31(b), Chapter 1160, Acts of the 78th  
14 Legislature, Regular Session, 2003, refers to the  
15 "powers and authority" of a municipality under Chapter  
16 380, Local Government Code. The revised law omits  
17 "authority" because, in this context, the meaning of  
18 "authority" is included in the meaning of "powers."

19 Revised Law

20 Sec. 3821.108. ANNEXATION. The district may annex  
21 territory located inside the boundaries of a reinvestment zone  
22 created by the City of Midland under Chapter 311, Tax Code, if the  
23 governing body of the City of Midland consents to the annexation.  
24 (Acts 78th Leg., R.S., Ch. 1160, Sec. 27 (part).)

25 Source Law

26 Sec. 27. The district may:

27 . . .  
28 (2) annex territory located inside the  
29 boundaries of a reinvestment zone created by the City  
30 of Midland under Chapter 311, Tax Code, if the  
31 governing body of the City of Midland consents to the  
32 annexation.

33 Revisor's Note

34 Section 27(1), Chapter 1160, Acts of the 78th  
35 Legislature, Regular Session, 2003, refers to  
36 annexation as provided by Subchapter C, Chapter 375,  
37 Local Government Code. The revised law omits that  
38 provision because it duplicates the requirements  
39 contained in Subchapter C, Chapter 375, Local  
40 Government Code. The omitted law reads:

41 Sec. 27. [The district may:]

42 (1) annex territory as provided  
43 by Subchapter C, Chapter 375, Local

1 Government Code; and  
2 . . .

3 [Sections 3821.109-3821.150 reserved for expansion]

4 SUBCHAPTER D. FINANCIAL PROVISIONS

5 Revised Law

6 Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
7 board by resolution shall establish the number of directors'  
8 signatures and the procedure required for a disbursement or  
9 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1160,  
10 Sec. 24.)

11 Source Law

12 Sec. 24. The board by resolution shall  
13 establish the number of directors' signatures and the  
14 procedure required for a disbursement or transfer of  
15 the district's money.

16 Revised Law

17 Sec. 3821.152. TAX AND BOND ELECTIONS. (a) The district  
18 shall hold an election in the manner provided by Subchapter L,  
19 Chapter 375, Local Government Code, to obtain voter approval before  
20 the district imposes a maintenance tax or issues bonds payable from  
21 ad valorem taxes.

22 (b) The board may include more than one purpose in a single  
23 proposition at an election.

24 (c) Section 375.243, Local Government Code, does not apply  
25 to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 18.)

26 Source Law

27 Sec. 18. (a) The district shall hold an  
28 election in the manner provided by Subchapter L,  
29 Chapter 375, Local Government Code, to obtain voter  
30 approval before the district imposes a maintenance tax  
31 or issues a bond payable from ad valorem taxes.

32 (b) The board may include more than one purpose  
33 in a single proposition at an election.

34 (c) Section 375.243, Local Government Code,  
35 does not apply to the district.

36 Revised Law

37 Sec. 3821.153. MAINTENANCE AND OPERATION TAX. (a) If  
38 authorized at an election held in accordance with Section 3821.152,  
39 the district may impose an annual ad valorem tax on taxable property  
40 in the district for the:

41 (1) maintenance and operation of the district and the

1 improvements constructed or acquired by the district; or

2 (2) provision of a service.

3 (b) The board shall determine the tax rate. (Acts 78th  
4 Leg., R.S., Ch. 1160, Sec. 19.)

5 Source Law

6 Sec. 19. (a) If authorized at an election held  
7 in accordance with Section 18 of this Act, the district  
8 may impose an annual ad valorem tax on taxable property  
9 in the district for the maintenance and operation of  
10 the district and the improvements constructed or  
11 acquired by the district or for the provision of  
12 services.

13 (b) The board shall determine the tax rate.

14 Revised Law

15 Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
16 The board by resolution may impose an assessment for any purpose  
17 authorized by this chapter.

18 (b) The board may not impose an assessment on a parcel of  
19 real property that at the time of the assessment is appraised at  
20 less than \$200,000, according to the most recent certified tax  
21 appraisal roll for Midland County, without the written consent of  
22 the owner of the parcel.

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

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

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

33 (3) are the personal liability of and a charge against  
34 the owners of the property even if the owners are not named in the  
35 assessment proceedings.

36 (d) The lien is effective from the date of the board's  
37 resolution imposing the assessment until the date the assessment is  
38 paid. The board may enforce the lien in the same manner that the

1 board may enforce an ad valorem tax lien against real property.

2 (e) The board may make a correction to or deletion from the  
3 assessment roll that does not increase the amount of assessment of  
4 any parcel of land without providing notice and holding a hearing in  
5 the manner required for additional assessments. (Acts 78th Leg.,  
6 R.S., Ch. 1160, Sec. 20.)

7 Source Law

8 Sec. 20. (a) The board by resolution may impose  
9 and collect an assessment for any purpose authorized  
10 by this Act.

11 (b) The board may not impose an assessment on a  
12 parcel of real property that at the time of the  
13 assessment is appraised at less than \$200,000,  
14 according to the most recent certified tax appraisal  
15 roll for Midland County, without the written consent  
16 of the owner of the parcel.

17 (c) Assessments, including assessments  
18 resulting from an addition to or correction of the  
19 assessment roll by the district, reassessments,  
20 penalties and interest on an assessment or  
21 reassessment, expense of collection, and reasonable  
22 attorney's fees incurred by the district:

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

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

28 (3) are the personal liability of and  
29 charge against the owners of the property even if the  
30 owners are not named in the assessment proceedings.

31 (d) The lien is effective from the date of the  
32 resolution of the board imposing the assessment until  
33 the date the assessment is paid. The board may enforce  
34 the lien in the same manner that the board may enforce  
35 an ad valorem tax lien against real property.

36 (e) The board may make corrections to or  
37 deletions from the assessment roll without notice and  
38 hearing in the manner required for additional  
39 assessments if the corrections or deletions do not  
40 increase the amount of assessment of any parcel of  
41 land.

42 Revisor's Note

43 Section 20, Chapter 1160, Acts of the 78th  
44 Legislature, Regular Session, 2003, provides that the  
45 board by resolution "may impose and collect" an  
46 assessment. The revised law omits the reference to the  
47 authority to collect the assessment because the  
48 authority to impose an assessment necessarily implies  
49 the authority to collect it.

50 Revised Law

51 Sec. 3821.155. PETITION REQUIRED FOR FINANCING SERVICES AND

1 IMPROVEMENTS. (a) The board may not finance a service or  
2 improvement project with assessments under this chapter unless a  
3 written petition requesting that improvement or service has been  
4 filed with the board.

5 (b) The petition must be signed by:

6 (1) the owners of a majority of the assessed value of  
7 real property in the district subject to assessment according to  
8 the most recent certified tax appraisal roll for Midland County; or

9 (2) at least 25 owners of real property in the  
10 district, if more than 25 persons own real property in the district  
11 according to the most recent certified tax appraisal roll for  
12 Midland County. (Acts 78th Leg., R.S., Ch. 1160, Sec. 17.)

13 Source Law

14 Sec. 17. The board may not finance a service or  
15 improvement project with assessments under this Act  
16 unless a written petition requesting that improvement  
17 or service has been filed with the board. The petition  
18 must be signed by:

19 (1) the owners of a majority of the  
20 assessed value of real property in the district  
21 subject to assessment as determined by the most recent  
22 certified tax appraisal roll for Midland County; or

23 (2) at least 25 persons who own real  
24 property in the district, if more than 25 persons own  
25 real property in the district as determined by the most  
26 recent certified tax appraisal roll for Midland  
27 County.

28 Revised Law

29 Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
30 ASSESSMENTS. The district may not impose an impact fee or  
31 assessment on the property, including the equipment,  
32 rights-of-way, facilities, or improvements, of:

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

35 (2) a gas utility as defined by Section 101.003 or  
36 121.001, Utilities Code;

37 (3) a telecommunications provider as defined by  
38 Section 51.002, Utilities Code;

39 (4) a cable operator as defined by 47 U.S.C. Section  
40 522, as amended; or

41 (5) a person who provides to the public advanced



1 telecommunications services. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
2 21.)

3 Source Law

4 Sec. 21. The district may not impose an impact  
5 fee or assessment on the property, equipment,  
6 rights-of-way, facilities, or improvements of an  
7 electric utility or a power generation company as  
8 defined by Section 31.002, Utilities Code, or a gas  
9 utility as defined by Section 101.003 or 121.001,  
10 Utilities Code, of a telecommunications provider as  
11 defined by Section 51.002, Utilities Code, or a cable  
12 operator as defined by 47 U.S.C. Section 522, and its  
13 subsequent amendments, or of a person that provides to  
14 the public advanced telecommunications services.

15 Revised Law

16 Sec. 3821.157. BONDS AND OTHER OBLIGATIONS. (a) The  
17 district may issue bonds or other obligations payable wholly or  
18 partly from ad valorem taxes, assessments, impact fees, revenue,  
19 grants, or other money of the district, or any combination of those  
20 sources of money, to pay for any authorized purpose of the district.

21 (b) In exercising the district's power to borrow, the  
22 district may issue a bond or other obligation in the form of a bond,  
23 note, certificate of participation or other instrument evidencing a  
24 proportionate interest in payments to be made by the district, or  
25 other type of obligation. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
26 22.)

27 Source Law

28 Sec. 22. (a) The district may issue bonds or  
29 other obligations payable in whole or in part from ad  
30 valorem taxes, assessments, impact fees, revenue,  
31 grants, or other money of the district, or any  
32 combination of those sources of money, to pay for any  
33 authorized purpose of the district.

34 (b) In exercising the district's borrowing  
35 power, the district may issue a bond or other  
36 obligation in the form of a bond, note, certificate of  
37 participation or other instrument evidencing a  
38 proportionate interest in payments to be made by the  
39 district, or other type of obligation.

40 Revised Law

41 Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
42 OBLIGATIONS. Except as provided by Section 375.263, Local  
43 Government Code, the City of Midland is not required to pay a bond,  
44 note, or other obligation of the district. (Acts 78th Leg., R.S.,  
45 Ch. 1160, Sec. 23.)

1 Source Law

2 Sec. 23. Except as provided by Section 375.263,  
3 Local Government Code, the City of Midland is not  
4 required to pay a bond, note, or other obligation of  
5 the district.

6 Revised Law

7 Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS. The district  
8 may grant in the manner authorized by Chapter 312, Tax Code, an  
9 abatement for a tax or assessment owed to the district. (Acts 78th  
10 Leg., R.S., Ch. 1160, Sec. 28.)

11 Source Law

12 Sec. 28. The district may grant in the manner  
13 authorized by Chapter 312, Tax Code, an abatement for a  
14 tax or assessment owed to the district.

15 [Sections 3821.160-3821.200 reserved for expansion]

16 SUBCHAPTER E. DISSOLUTION

17 Revised Law

18 Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
19 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
20 that has debt. If the vote is in favor of dissolution, the district  
21 shall remain in existence solely for the limited purpose of  
22 discharging its debts. The dissolution is effective when all debts  
23 have been discharged.

24 (b) Section 375.264, Local Government Code, does not apply  
25 to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 26.)

26 Source Law

27 Sec. 26. (a) The board may vote to dissolve a  
28 district that has debt. If the vote is in favor of  
29 dissolution, the district shall remain in existence  
30 solely for the limited purpose of discharging its  
31 debts. The dissolution is effective when all debts  
32 have been discharged.

33 (b) Section 375.264, Local Government Code,  
34 does not apply to the district.

35 Revisor's Note  
36 (End of Chapter)

37 Section 33, Chapter 1160, Acts of the 78th  
38 Legislature, Regular Session, 2003, recites  
39 legislative findings regarding procedural  
40 requirements for the creation of the district under  
41 the constitution and other laws and rules, including

1 proper legal notice, filing of recommendations, and  
2 consent by other governmental entities to the creation  
3 of the district. The revised law omits these  
4 provisions as executed. The omitted law reads:

5 Sec. 33. The legislature finds that:

6 (1) proper and legal notice of  
7 the intention to introduce this Act,  
8 setting forth the general substance of this  
9 Act, has been published as provided by law,  
10 and the notice and a copy of this Act have  
11 been furnished to all persons, agencies,  
12 officials, or entities to which they are  
13 required to be furnished by the  
14 constitution and laws of this state,  
15 including the governor, who has submitted  
16 the notice and Act to the Texas Commission  
17 on Environmental Quality;

18 (2) the Texas Commission on  
19 Environmental Quality has filed its  
20 recommendations relating to this Act with  
21 the governor, lieutenant governor, and  
22 speaker of the house of representatives  
23 within the required time;

24 (3) the general law relating to  
25 consent by political subdivisions to the  
26 creation of districts with conservation,  
27 reclamation, and road powers and the  
28 inclusion of land in those districts has  
29 been complied with; and

30 (4) all requirements of the  
31 constitution and laws of this state and the  
32 rules and procedures of the legislature  
33 with respect to the notice, introduction,  
34 and passage of this Act have been fulfilled  
35 and accomplished.

36 CHAPTER 3822. FALL CREEK MANAGEMENT DISTRICT

37 SUBCHAPTER A. GENERAL PROVISIONS

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47 [Sections 3822.009-3822.050 reserved for expansion]

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1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 3822.001. DEFINITIONS. In this chapter:

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

6 (2) "District" means the Fall Creek Management  
7 District. (Acts 78th Leg., R.S., Ch. 1254, Sec. 2.)

8 Source Law

9 Sec. 2. In this Act:

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

12 (2) "District" means the Fall Creek  
13 Management District.

14 Revised Law

15 Sec. 3822.002. FALL CREEK MANAGEMENT DISTRICT. The Fall  
16 Creek Management District is a special district created under  
17 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
18 R.S., Ch. 1254, Sec. 1(a).)

19 Source Law

20 Sec. 1. (a) The Fall Creek Management District  
21 is a special district created under Section 59,  
22 Article XVI, Texas Constitution.

23 Revised Law

24 Sec. 3822.003. PURPOSE; DECLARATION OF INTENT. (a) The  
25 creation of the district is essential to accomplish the purposes of  
26 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
27 Texas Constitution, and other public purposes stated in this  
28 chapter. By creating the district and in authorizing the City of  
29 Houston, Harris County, and other political subdivisions to  
30 contract with the district, the legislature has established a  
31 program to accomplish the public purposes set out in Section 52-a,  
32 Article III, Texas Constitution.

33 (b) The creation of the district is necessary to promote,  
34 develop, encourage, and maintain employment, commerce,  
35 transportation, housing, tourism, recreation, the arts,  
36 entertainment, economic development, safety, and the public  
37 welfare in the area of the district.

1 (c) This chapter and the creation of the district may not be  
2 interpreted to relieve Harris County or the City of Houston from  
3 providing the level of services provided, as of June 20, 2003, to  
4 the area in the district. The district is created to supplement and  
5 not to supplant the county or city services provided in the area in  
6 the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 3.)

7 Source Law

8 Sec. 3. (a) The creation of the district is  
9 essential to accomplish the purposes of Sections 52  
10 and 52-a, Article III, and Section 59, Article XVI,  
11 Texas Constitution, and other public purposes stated  
12 in this Act.

13 (b) The creation of the district is necessary to  
14 promote, develop, encourage, and maintain employment,  
15 commerce, transportation, housing, tourism,  
16 recreation, the arts, entertainment, economic  
17 development, safety, and the public welfare in the  
18 area of the district.

19 (c) The creation of the district and this  
20 legislation may not be interpreted to relieve Harris  
21 County or the City of Houston from providing the level  
22 of services provided, as of the effective date of this  
23 Act, to the area in the district. The district is  
24 created to supplement and not to supplant the county or  
25 city services provided in the area in the district.

26 (d) By creating the district and in authorizing  
27 the City of Houston, Harris County, and other  
28 political subdivisions to contract with the district,  
29 the legislature has established a program to  
30 accomplish the public purposes set out in Section  
31 52-a, Article III, Texas Constitution.

32 Revisor's Note

33 Section 3(c), Chapter 1254, Acts of the 78th  
34 Legislature, Regular Session, 2003, refers to "the  
35 effective date of this Act." For the convenience of  
36 the reader, the revised law substitutes for that  
37 phrase the act's effective date, June 20, 2003.

38 Revised Law

39 Sec. 3822.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
40 The district is created to serve a public use and benefit.

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

46 (c) The creation of the district is in the public interest

1 and is essential to:

2 (1) further the public purposes of development and  
3 diversification of the economy of the state;

4 (2) eliminate unemployment and underemployment; and

5 (3) develop or expand transportation and commerce.

6 (d) The district will:

7 (1) promote the health, safety, and general welfare of  
8 residents, employers, employees, visitors, and consumers in the  
9 district, and of the public;

10 (2) provide needed funding to preserve, maintain, and  
11 enhance the economic health and vitality of the district as a  
12 community and business center; and

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

17 (e) Pedestrian ways along or across a street, whether at  
18 grade or above or below the surface, and street lighting, street  
19 landscaping, and street art objects are parts of and necessary  
20 components of a street and are considered to be a street or road  
21 improvement.

22 (f) The district will not act as the agent or  
23 instrumentality of any private interest even though the district  
24 will benefit many private interests, as well as the public. (Acts  
25 78th Leg., R.S., Ch. 1254, Sec. 6.)

26 Source Law

27 Sec. 6. (a) The district is created to serve a  
28 public use and benefit. All the land and other  
29 property included in the district will be benefited by  
30 the improvements and services to be provided by the  
31 district under powers conferred by Sections 52 and  
32 52-a, Article III, and Section 59, Article XVI, Texas  
33 Constitution, and other powers granted under this Act.

34 (b) The creation of the district is in the  
35 public interest and is essential to:

36 (1) further the public purposes of  
37 development and diversification of the economy of the  
38 state; and

39 (2) eliminate unemployment and  
40 underemployment and develop or expand transportation  
41 and commerce.

42 (c) The district will:

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

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

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

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

20 (e) The district will not act as the agent or  
21 instrumentality of any private interest even though  
22 many private interests will be benefited by the  
23 district, as well as the general public.

#### 24 Revised Law

25 Sec. 3822.005. DISTRICT TERRITORY. (a) The district is  
26 composed of the territory described by Section 4, Chapter 1254,  
27 Acts of the 78th Legislature, Regular Session, 2003, as that  
28 territory may have been modified under:

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

30 (2) other law.

31 (b) The boundaries and field notes of the district contained  
32 in Section 4, Chapter 1254, Acts of the 78th Legislature, Regular  
33 Session, 2003, form a closure. A mistake made in the field notes or  
34 in copying the field notes in the legislative process does not in  
35 any way affect the district's:

36 (1) organization, existence, or validity;

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

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

41 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
42 1254, Sec. 5; New.)

#### 43 Source Law

44 Sec. 5. The boundaries and field notes of the  
45 district form a closure. If a mistake is made in the  
46 field notes or in copying the field notes in the  
47 legislative process, the mistake does not in any way  
48 affect the district's:



- 1 (1) organization, existence, or validity;
- 2 (2) right to issue any type of bond for a
- 3 purpose for which the district is created or to pay the
- 4 principal of and interest on a bond;
- 5 (3) right to impose or collect an
- 6 assessment or tax; or
- 7 (4) legality or operation.

8 Revisor's Note

9 The revision of the law governing the district  
10 does not revise the statutory language describing the  
11 territory of the district to avoid the lengthy  
12 recitation of the description and because that  
13 description may not be accurate on the effective date  
14 of the revision or at the time of a later reading. For  
15 the reader's convenience, the revised law includes a  
16 reference to the statutory description of the  
17 district's territory and references to statutory  
18 authority to change the district's territory under  
19 Subchapter J, Chapter 49, Water Code, applicable to  
20 the district under Sections 49.001 and 49.002 of that  
21 chapter. The revised law also includes a reference to  
22 the general authority of the legislature to enact  
23 other laws to change the district's territory.

24 Revised Law

25 Sec. 3822.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
26 All or any part of the area of the district is eligible to be  
27 included in:

28 (1) a tax increment reinvestment zone created by the  
29 City of Houston under Chapter 311, Tax Code;

30 (2) a tax abatement reinvestment zone created by the  
31 City of Houston under Chapter 312, Tax Code; or

32 (3) an enterprise zone created by the City of Houston  
33 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
34 1254, Sec. 30.)

35 Source Law

36 Sec. 30. All or any part of the area of the  
37 district is eligible, notwithstanding other statutory  
38 criteria, to be included in a tax increment  
39 reinvestment zone created by the municipality under  
40 Chapter 311, Tax Code, or included in a tax abatement

1 reinvestment zone created by the municipality under  
2 Chapter 312, Tax Code. All or any part of the area of  
3 the district is also eligible to be included in an  
4 enterprise zone created by the municipality under  
5 Chapter 2303, Government Code.

6 Revisor's Note

7 (1) Section 30, Chapter 1254, Acts of the 78th  
8 Legislature, Regular Session, 2003, provides that the  
9 district is eligible, "notwithstanding other  
10 statutory criteria," to be included in a tax increment  
11 reinvestment zone or a tax abatement reinvestment  
12 zone. The revised law omits "notwithstanding other  
13 statutory criteria" because the eligibility of the  
14 district established under Section 30 to be included  
15 in the reinvestment zones necessarily supersedes any  
16 conflicting statutory criteria previously enacted by  
17 the legislature.

18 (2) Section 30, Chapter 1254, Acts of the 78th  
19 Legislature, Regular Session, 2003, refers to "the  
20 municipality." The revised law substitutes "City of  
21 Houston" for the quoted language because it is clear  
22 from Sections 3(c) and (d), 10, and 22, Chapter 1254,  
23 Acts of the 78th Legislature, Regular Session, 2003,  
24 that the legislature intended the City of Houston to be  
25 the municipality with which this district operates.

26 Revised Law

27 Sec. 3822.007. APPLICABILITY OF OTHER LAW. Except as  
28 otherwise provided by this chapter, Chapter 375, Local Government  
29 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1254,  
30 Sec. 7(a).)

31 Source Law

32 Sec. 7. (a) Except as otherwise provided by  
33 this Act, Chapter 375, Local Government Code, applies  
34 to the district.

35 Revised Law

36 Sec. 3822.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
37 chapter shall be construed liberally in conformity with the  
38 findings and purposes stated in this chapter. (Acts 78th Leg.,

1 R.S., Ch. 1254, Sec. 8.)

2 Source Law

3 Sec. 8. This Act shall be liberally construed in  
4 conformity with the findings and purposes stated in  
5 this Act.

6 Revisor's Note  
7 (End of Subchapter)

8 (1) Section 1(b), Chapter 1254, Acts of the 78th  
9 Legislature, Regular Session, 2003, provides that the  
10 board may change the name of the district by  
11 resolution. The revised law omits the provision  
12 because it duplicates Section 375.096(d), Local  
13 Government Code. Section 7(a), Chapter 1254, Acts of  
14 the 78th Legislature, Regular Session, 2003 (revised  
15 in this chapter as Section 3822.007), provides that  
16 Chapter 375, Local Government Code, applies to the  
17 district. Throughout this chapter, provisions that  
18 duplicate provisions of Chapter 375, Local Government  
19 Code, have been omitted. The relevant sections of  
20 Chapter 375 are cited in revisor's notes. The omitted  
21 law reads:

22 (b) The board by resolution may  
23 change the name of the district.

24 (2) Section 7(b), Chapter 1254, Acts of the 78th  
25 Legislature, Regular Session, 2003, provides that the  
26 Code Construction Act (Chapter 311, Government Code)  
27 applies to the act. The revised law omits that  
28 provision because it duplicates Section 311.002,  
29 Government Code (Code Construction Act), applicable to  
30 the revised law. The omitted law reads:

31 (b) Chapter 311, Government Code,  
32 applies to this Act.

33 [Sections 3822.009-3822.050 reserved for expansion]

34 SUBCHAPTER B. BOARD OF DIRECTORS

35 Revised Law

36 Sec. 3822.051. COMPOSITION; TERMS. (a) The district is  
37 governed by a board of five directors appointed under Section

1 3822.052.

2 (b) Directors serve staggered terms of four years, with two  
3 or three directors' terms expiring June 1 of each odd-numbered  
4 year.

5 (c) The board by resolution may increase or decrease the  
6 number of directors on the board if the board finds it is in the best  
7 interest of the district. The board may not consist of fewer than 5  
8 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1254, Sec.  
9 9.)

10 Source Law

11 Sec. 9. (a) The district is governed by a board  
12 of five voting directors appointed under Section 10.

13 (b) Voting directors serve staggered terms of  
14 four years, with three directors' terms expiring June 1  
15 of an odd-numbered year and two directors' terms  
16 expiring June 1 of the following odd-numbered year.

17 (c) The board may increase or decrease the  
18 number of directors on the board by resolution  
19 provided that it is in the best interest of the  
20 district to do so and that the board consists of not  
21 fewer than five and not more than 15 directors.

22 Revisor's Note

23 Section 9, Chapter 1254, Acts of the 78th  
24 Legislature, Regular Session, 2003, refers to "voting  
25 directors." The revised law omits "voting" because  
26 this district does not include any "nonvoting"  
27 directors, and the powers of the directors are not  
28 otherwise limited regarding voting rights.

29 Revised Law

30 Sec. 3822.052. APPOINTMENT OF DIRECTORS. The mayor and  
31 members of the governing body of the City of Houston shall appoint  
32 directors from persons recommended by the board. A person is  
33 appointed if a majority of the directors and the mayor vote to  
34 appoint that person. (Acts 78th Leg., R.S., Ch. 1254, Sec. 10.)

35 Source Law

36 Sec. 10. The mayor and members of the governing  
37 body of the City of Houston shall appoint voting  
38 directors from persons recommended by the board. A  
39 person is appointed if a majority of the directors and  
40 the mayor vote to appoint that person.

1 Revisor's Note

2 Section 10, Chapter 1254, Acts of the 78th  
3 Legislature, Regular Session, 2003, refers to the  
4 nomination and appointment of "voting directors." The  
5 revised law omits "voting" for the reason stated in the  
6 revisor's note to Section 3822.051.

7 Revised Law

8 Sec. 3822.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

9 (a) Except as provided by this section:

10 (1) a director may participate in all board votes and  
11 decisions; and

12 (2) Chapter 171, Local Government Code, governs  
13 conflicts of interest for directors.

14 (b) Section 171.004, Local Government Code, does not apply  
15 to the district. A director who has a substantial interest in a  
16 business or charitable entity that will receive a pecuniary benefit  
17 from a board action shall file a one-time affidavit declaring the  
18 interest. An additional affidavit is not required if the  
19 director's interest changes. After the affidavit is filed with the  
20 board secretary, the director may participate in a discussion or  
21 vote on that action if:

22 (1) a majority of the directors have a similar  
23 interest in the same entity; or

24 (2) all other similar business or charitable entities  
25 in the district will receive a similar pecuniary benefit.

26 (c) A director who is also an officer or employee of a public  
27 entity may not participate in the discussion of or vote on a matter  
28 regarding a contract with that public entity.

29 (d) For purposes of this section, a director has a  
30 substantial interest in a charitable entity in the same manner that  
31 a person would have a substantial interest in a business entity  
32 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
33 R.S., Ch. 1254, Sec. 11.)

1 Source Law

2 Sec. 11. (a) Except as provided by this  
3 section:

4 (1) a director may participate in all  
5 board votes and decisions; and

6 (2) Chapter 171, Local Government Code,  
7 governs conflicts of interest for directors.

8 (b) Section 171.004, Local Government Code,  
9 does not apply to the district. A director who has a  
10 substantial interest in a business or charitable  
11 entity that will receive a pecuniary benefit from a  
12 board action shall file a one-time affidavit declaring  
13 the interest. An additional affidavit is not required  
14 if the director's interest changes. After the  
15 affidavit is filed with the board secretary, the  
16 director may participate in a discussion or vote on  
17 that action if:

18 (1) a majority of the directors have a  
19 similar interest in the same entity; or

20 (2) all other similar business or  
21 charitable entities in the district will receive a  
22 similar pecuniary benefit.

23 (c) A director who is also an officer or  
24 employee of a public entity may not participate in the  
25 discussion of or vote on a matter regarding a contract  
26 with that public entity.

27 (d) For purposes of this section, a director has  
28 a substantial interest in a charitable entity in the  
29 same manner that a person would have a substantial  
30 interest in a business entity under Section 171.002,  
31 Local Government Code.

32 Revised Law

33 Sec. 3822.054. INITIAL DIRECTORS. (a) The initial board  
34 consists of the following persons:

35	Pos. No.	Name of Director
36	1	Jeff Anderson
37	2	John Deutser
38	3	Randy Jones
39	4	Jay Morris
40	5	Ned Piedmont

41 (b) Of the initial directors, the terms of directors  
42 appointed for positions 1 through 3 expire June 1, 2007, and the  
43 terms of directors appointed for positions 4 and 5 expire June 1,  
44 2005.

45 (c) Section 3822.052 does not apply to this section.

46 (d) This section expires September 1, 2007. (Acts 78th  
47 Leg., R.S., Ch. 1254, Sec. 27.)

48 Source Law

49 Sec. 27. (a) The initial board consists of the

1 following persons:

Pos. No.	Name of Director
1	Jeff Anderson
2	John Deutser
3	Randy Jones
4	Jay Morris
5	Ned Piedmont

8 (b) Of the initial directors, the terms of  
9 directors appointed for positions 1 through 3 expire  
10 June 1, 2007, and the terms of directors appointed for  
11 positions 4 and 5 expire June 1, 2005.

12 (c) Section 10 does not apply to this section.

13 (d) This section expires September 1, 2007.

14 [Sections 3822.055-3822.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Revised Law

17 Sec. 3822.101. ADDITIONAL POWERS OF DISTRICT. The district  
18 may exercise the powers given to:

19 (1) a corporation under Section 4B, Development  
20 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
21 Statutes), including the power to own, operate, acquire, construct,  
22 lease, improve, and maintain projects described by that section;

23 (2) a housing finance corporation under Chapter 394,  
24 Local Government Code, to provide housing or residential  
25 development projects in the district; and

26 (3) a municipality under Chapter 380, Local Government  
27 Code. (Acts 78th Leg., R.S., Ch. 1254, Secs. 12, 31 (part).)

28 Source Law

29 Sec. 12. The district may exercise the powers  
30 given to:

31 (1) a corporation created under Section  
32 4B, Development Corporation Act of 1979 (Article  
33 5190.6, Vernon's Texas Civil Statutes), including the  
34 power to own, operate, acquire, construct, lease,  
35 improve, and maintain projects described by that  
36 section; and

37 (2) a housing finance corporation created  
38 under Chapter 394, Local Government Code, to provide  
39 housing or residential development projects in the  
40 district.

41 Sec. 31. . . . The district has all of the  
42 powers and authority of a municipality under Chapter  
43 380, Local Government Code.

44 Revisor's Note

45 Section 31, Chapter 1254, Acts of the 78th  
46 Legislature, Regular Session, 2003, provides that the  
47 district has the "powers and authority" of a

1 municipality under Chapter 380, Local Government Code.  
2 The revised law omits "authority" because in this  
3 context, the meaning of "authority" is included in the  
4 meaning of "powers."

5 Revised Law

6 Sec. 3822.102. NONPROFIT CORPORATION. (a) The board by  
7 resolution may authorize the creation of a nonprofit corporation to  
8 assist and act for the district in implementing a project or  
9 providing a service authorized by this chapter.

10 (b) The nonprofit corporation:

11 (1) has each power of and is considered for purposes of  
12 this chapter to be a local government corporation created under  
13 Chapter 431, Transportation Code; and

14 (2) may implement any project and provide any service  
15 authorized by this chapter.

16 (c) The board shall appoint the board of directors of the  
17 nonprofit corporation. The board of directors of the nonprofit  
18 corporation shall serve in the same manner as the board of directors  
19 of a local government corporation created under Chapter 431,  
20 Transportation Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 15.)

21 Source Law

22 Sec. 15. (a) The board by resolution may  
23 authorize the creation of a nonprofit corporation to  
24 assist and act on behalf of the district in  
25 implementing a project or providing a service  
26 authorized by this Act.

27 (b) The board shall appoint the board of  
28 directors of a nonprofit corporation created under  
29 this section. The board of directors of the nonprofit  
30 corporation shall serve in the same manner as the board  
31 of directors of a local government corporation created  
32 under Chapter 431, Transportation Code.

33 (c) A nonprofit corporation created under this  
34 section has the powers of and is considered for  
35 purposes of this Act to be a local government  
36 corporation created under Chapter 431, Transportation  
37 Code.

38 (d) A nonprofit corporation created under this  
39 section may implement any project and provide any  
40 service authorized by this Act.

41 Revised Law

42 Sec. 3822.103. AGREEMENTS; GRANTS. (a) The district may  
43 make an agreement with or accept a gift, grant, or loan from any



1 person.

2 (b) The implementation of a project is a governmental  
3 function or service for the purposes of Chapter 791, Government  
4 Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 13.)

5 Source Law

6 Sec. 13. (a) The district may make an agreement  
7 with or accept a gift, grant, or loan from any person.

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

11 Revised Law

12 Sec. 3822.104. LAW ENFORCEMENT SERVICES. To protect the  
13 public interest, the district may contract with Harris County or  
14 the City of Houston to provide law enforcement services in the  
15 district for a fee. (Acts 78th Leg., R.S., Ch. 1254, Sec. 14.)

16 Source Law

17 Sec. 14. To protect the public interest, the  
18 district may contract with Harris County or the City of  
19 Houston to provide law enforcement services in the  
20 district for a fee.

21 Revised Law

22 Sec. 3822.105. COMPETITIVE BIDDING. Section 375.221, Local  
23 Government Code, applies to the district only for a contract that  
24 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 1254,  
25 Sec. 25.)

26 Source Law

27 Sec. 25. Section 375.221, Local Government  
28 Code, applies to the district only for a contract that  
29 has a value greater than \$25,000.

30 Revised Law

31 Sec. 3822.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
32 district may join and pay dues to an organization that enjoys  
33 tax-exempt status under Section 501(c)(3), (4), or (6), Internal  
34 Revenue Code of 1986, as amended, and may perform services or  
35 provide activities consistent with the furtherance of the purposes  
36 of the district. An expenditure of public money for membership in  
37 the organization is considered to further the purposes of the  
38 district and to be for a public purpose. (Acts 78th Leg., R.S., Ch.  
39 1254, Sec. 29.)

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Source Law

Sec. 29. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and may perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose.

Revised Law

Sec. 3822.107. ECONOMIC DEVELOPMENT PROGRAMS. 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. (Acts 78th Leg., R.S., Ch. 1254, Sec. 31 (part).)

Source Law

Sec. 31. The district may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the district, to promote state or local economic development and to stimulate business and commercial activity in the district. . . .

Revised Law

Sec. 3822.108. MUNICIPAL APPROVAL. (a) Except as provided by Subsection (b), the district must obtain approval from the governing body of the City of Houston for:

- (1) the issuance of bonds for an improvement project;
  - (2) the plans and specifications of an improvement project financed by the bonds; and
  - (3) the plans and specifications of a district improvement project related to:
    - (A) the use of land owned by the City of Houston;
    - (B) an easement granted by the City of Houston;
- or
- (C) a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the governing body

1 of the City of Houston for a capital improvements budget for a  
2 period not to exceed five years, the district may finance the  
3 capital improvements and issue bonds specified in the budget  
4 without further approval from the City of Houston. (Acts 78th Leg.,  
5 R.S., Ch. 1254, Sec. 22.)

6 Source Law

7 Sec. 22. (a) Except as provided by Subsection  
8 (b), the district must obtain approval from the  
9 governing body of the City of Houston of:

10 (1) the issuance of bonds for an  
11 improvement project;

12 (2) the plans and specifications of an  
13 improvement project financed by the bonds; and

14 (3) the plans and specifications of a  
15 district improvement project related to:

16 (A) the use of land owned by the City  
17 of Houston;

18 (B) an easement granted by the City  
19 of Houston; or

20 (C) a right-of-way of a street, road,  
21 or highway.

22 (b) If the district obtains approval from the  
23 governing body of the City of Houston of a capital  
24 improvements budget for a period not to exceed five  
25 years, the district may finance the capital  
26 improvements and issue bonds specified in the budget  
27 without further approval from the City of Houston.

28 [Sections 3822.109-3822.150 reserved for expansion]

29 SUBCHAPTER D. FINANCIAL PROVISIONS

30 Revised Law

31 Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
32 board by resolution shall establish the number of directors'  
33 signatures and the procedure required for a disbursement or  
34 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1254,  
35 Sec. 24.)

36 Source Law

37 Sec. 24. The board by resolution shall  
38 establish the number of directors' signatures and the  
39 procedure required for a disbursement or transfer of  
40 the district's money.

41 Revised Law

42 Sec. 3822.152. TAX AND BOND ELECTIONS. (a) The district  
43 shall hold an election in the manner provided by Subchapter L,  
44 Chapter 375, Local Government Code, to obtain voter approval before  
45 the district imposes a maintenance tax or issues bonds payable from  
46 ad valorem taxes.

1 (b) The board may include more than one purpose in a single  
2 proposition at an election.

3 (c) Section 375.243, Local Government Code, does not apply  
4 to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 17.)

5 Source Law

6 Sec. 17. (a) The district shall hold an  
7 election in the manner provided by Subchapter L,  
8 Chapter 375, Local Government Code, to obtain voter  
9 approval before the district imposes a maintenance tax  
10 or issues a bond payable from ad valorem taxes.

11 (b) The board may include more than one purpose  
12 in a single proposition at an election.

13 (c) Section 375.243, Local Government Code,  
14 does not apply to the district.

15 Revised Law

16 Sec. 3822.153. MAINTENANCE AND OPERATION TAX. (a) If  
17 authorized at an election held in accordance with Section 3822.152,  
18 the district may impose an annual ad valorem tax on taxable property  
19 in the district for the:

20 (1) maintenance and operation of the district and the  
21 improvements constructed or acquired by the district; or

22 (2) provision of a service.

23 (b) The board shall determine the tax rate. (Acts 78th  
24 Leg., R.S., Ch. 1254, Sec. 18.)

25 Source Law

26 Sec. 18. (a) If authorized at an election held  
27 in accordance with Section 17, the district may impose  
28 an annual ad valorem tax on taxable property in the  
29 district for the maintenance and operation of the  
30 district and the improvements constructed or acquired  
31 by the district or for the provision of services.

32 (b) The board shall determine the tax rate.

33 Revised Law

34 Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
35 The board by resolution may impose an assessment for any purpose  
36 authorized by this chapter.

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

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

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

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

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

13 (d) The board may make a correction to or deletion from the  
14 assessment roll that does not increase the amount of assessment of  
15 any parcel of land without providing notice and holding a hearing in  
16 the manner required for additional assessments. (Acts 78th Leg.,  
17 R.S., Ch. 1254, Sec. 19.)

18 Source Law

19 Sec. 19. (a) The board by resolution may impose  
20 and collect an assessment for any purpose authorized  
21 by this Act.

22 (b) Assessments, including assessments  
23 resulting from an addition to or correction of the  
24 assessment roll by the district, reassessments,  
25 penalties and interest on an assessment or  
26 reassessment, expenses of collection, and reasonable  
27 attorney's fees incurred by the district:

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

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

33 (3) are the personal liability of and a  
34 charge against the owners of the property even if the  
35 owners are not named in the assessment proceedings.

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

41 (d) Without necessity of notice and hearing in  
42 the manner required for additional assessments, the  
43 board may make corrections to or deletions from the  
44 assessment roll provided that such corrections or  
45 deletions do not increase the amount of assessment of  
46 any parcel of land.

47 Revisor's Note

48 Section 19, Chapter 1254, Acts of the 78th

1 Legislature, Regular Session, 2003, provides that the  
2 board by resolution "may impose and collect" an  
3 assessment. The revised law omits the reference to the  
4 authority to collect the assessment because the  
5 authority to impose an assessment necessarily implies  
6 the authority to collect it.

7 Revised Law

8 Sec. 3822.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
9 IMPROVEMENTS. (a) The board may not finance a service or  
10 improvement project with assessments under this chapter unless a  
11 written petition requesting that service or improvement has been  
12 filed with the board.

13 (b) The petition must be signed by:

14 (1) the owners of a majority of the assessed value of  
15 real property in the district subject to assessment according to  
16 the most recent certified tax appraisal roll for Harris County; or

17 (2) at least 25 owners of real property in the  
18 district, if more than 25 persons own real property in the district  
19 according to the most recent certified tax appraisal roll for  
20 Harris County. (Acts 78th Leg., R.S., Ch. 1254, Sec. 16.)

21 Source Law

22 Sec. 16. The board may not finance a service or  
23 improvement project with assessments under this Act  
24 unless a written petition requesting that improvement  
25 or service has been filed with the board. The petition  
26 must be signed by:

27 (1) the owners of a majority of the  
28 assessed value of real property in the district  
29 subject to assessment as determined by the most recent  
30 certified tax appraisal roll for Harris County; or

31 (2) at least 25 persons who own real  
32 property in the district, if more than 25 persons own  
33 real property in the district as determined by the most  
34 recent certified tax appraisal roll for Harris County.

35 Revised Law

36 Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
37 ASSESSMENTS. The district may not impose an impact fee or  
38 assessment on the property, including the equipment,  
39 rights-of-way, facilities, or improvements, of:

40 (1) an electric utility or a power generation company

1 as defined by Section 31.002, Utilities Code;

2 (2) a gas utility as defined by Section 101.003 or  
3 121.001, Utilities Code;

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

6 (4) a person who provides to the public cable  
7 television or advanced telecommunications services. (Acts 78th  
8 Leg., R.S., Ch. 1254, Sec. 20 (part).)

9 Source Law

10 Sec. 20. The district may not impose an impact  
11 fee or assessment on the property, equipment,  
12 rights-of-way, facilities, or improvements of an  
13 electric utility or a power generation company as  
14 defined by Section 31.002, Utilities Code, a gas  
15 utility as defined by Section 101.003 or 121.001,  
16 Utilities Code, or a telecommunications provider as  
17 defined by Section 51.002, Utilities Code, or of a  
18 person that provides to the public cable television or  
19 advanced telecommunications services. . . .

20 Revisor's Note

21 Section 20, Chapter 1254, Acts of the 78th  
22 Legislature, Regular Session, 2003, exempts utilities  
23 from assessments and impact fees and also requires  
24 that "relocation, rerouting, or removal" of utility  
25 property be performed at the sole expense of the  
26 district. The revised law omits the requirements  
27 because they duplicate requirements contained in  
28 Section 375.093(c), Local Government Code. The  
29 omitted law reads:

30 Sec. 20. . . . If the district, in  
31 the exercise of the powers conferred on it  
32 by this Act, requires or requests the  
33 relocation, rerouting, or removal of  
34 electric, gas, water, sewer,  
35 communications, or other public utilities,  
36 as defined by Sections 31.002, 101.003,  
37 121.001, or 51.002, Utilities Code, the  
38 relocation, rerouting, or removal shall be  
39 at the sole expense of the district.

40 Revised Law

41 Sec. 3822.157. BONDS AND OTHER OBLIGATIONS. (a) The  
42 district may issue bonds or other obligations payable wholly or  
43 partly from ad valorem taxes, assessments, impact fees, revenue,

1 grants, or other money of the district, or any combination of those  
2 sources of money, to pay for any authorized purpose of the district.

3 (b) In exercising the district's power to borrow, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation or other instrument evidencing a  
6 proportionate interest in payments to be made by the district, or  
7 other type of obligation. (Acts 78th Leg., R.S., Ch. 1254, Sec.  
8 21.)

9 Source Law

10 Sec. 21. (a) The district may issue bonds or  
11 other obligations payable in whole or in part from ad  
12 valorem taxes, assessments, impact fees, revenue,  
13 grants, or other money of the district, or any  
14 combination of those sources of money, to pay for any  
15 authorized purpose of the district.

16 (b) In exercising the district's borrowing  
17 power, the district may issue a bond or other  
18 obligation in the form of a bond, note, certificate of  
19 participation or other instrument evidencing a  
20 proportionate interest in payments to be made by the  
21 district, or other type of obligation.

22 Revised Law

23 Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
24 OBLIGATIONS. Except as provided by Section 375.263, Local  
25 Government Code, a municipality is not required to pay a bond, note,  
26 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
27 1254, Sec. 23.)

28 Source Law

29 Sec. 23. Except as provided by Section 375.263,  
30 Local Government Code, a municipality is not required  
31 to pay a bond, note, or other obligation of the  
32 district.

33 Revised Law

34 Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS. Without  
35 further authorization or other procedural requirement, the  
36 district may grant, consistent with Chapter 312, Tax Code, an  
37 abatement for a tax or assessment owed to the district. (Acts 78th  
38 Leg., R.S., Ch. 1254, Sec. 28.)

39 Source Law

40 Sec. 28. Without further authorization or other  
41 procedural requirement, the district may grant,  
42 consistent with Chapter 312, Tax Code, an abatement  
43 for a tax or assessment owed to the district.



1 [Sections 3822.160-3822.200 reserved for expansion]

2 SUBCHAPTER E. DISSOLUTION

3 Revised Law

4 Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
5 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
6 that has debt. If the vote is in favor of dissolution, the district  
7 shall remain in existence solely for the limited purpose of  
8 discharging its debts. The dissolution is effective when all debts  
9 have been discharged.

10 (b) Section 375.264, Local Government Code, does not apply  
11 to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 26.)

12 Source Law

13 Sec. 26. (a) The board may vote to dissolve a  
14 district that has debt. If the vote is in favor of  
15 dissolution, the district shall remain in existence  
16 solely for the limited purpose of discharging its  
17 debts. The dissolution is effective when all debts  
18 have been discharged.

19 (b) Section 375.264, Local Government Code,  
20 does not apply to the district.

21 Revisor's Note  
22 (End of Chapter)

23 Section 32, Chapter 1254, Acts of the 78th  
24 Legislature, Regular Session, 2003, recites  
25 legislative findings regarding procedural  
26 requirements for the creation of the district under  
27 the constitution and other laws and rules, including  
28 proper legal notice, filing of recommendations, and  
29 consent by other governmental entities to the creation  
30 of the district. The revised law omits these  
31 provisions as executed. The omitted law reads:

32 Sec. 32. The legislature finds that:

33 (1) proper and legal notice of  
34 the intention to introduce this Act,  
35 setting forth the general substance of this  
36 Act, has been published as provided by law,  
37 and the notice and a copy of this Act have  
38 been furnished to all persons, agencies,  
39 officials, or entities to which they are  
40 required to be furnished by the  
41 constitution and laws of this state,  
42 including the governor, who has submitted  
43 the notice and Act to the Texas Commission  
44 on Environmental Quality;

45 (2) the Texas Commission on

1 Environmental Quality has filed its  
2 recommendations relating to this Act with  
3 the governor, lieutenant governor, and  
4 speaker of the house of representatives  
5 within the required time;

6 (3) the general law relating to  
7 consent by political subdivisions to the  
8 creation of districts with conservation,  
9 reclamation, and road powers and the  
10 inclusion of land in those districts has  
11 been complied with; and

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

18 CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

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43 [Sections 3823.107-3823.150 reserved for expansion]

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10 SUBCHAPTER E. DISSOLUTION

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13 CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 3823.001. DEFINITIONS. In this chapter:

17 (1) "Board" means the board of directors of the

18 district.

19 (2) "District" means the Great Southwest Improvement

20 District. (Acts 78th Leg., R.S., Ch. 1159, Sec. 2.)

21 Source Law

22 Sec. 2. In this Act:

23 (1) "Board" means the board of directors

24 of the district.

25 (2) "District" means the Great Southwest

26 Improvement District.

27 Revised Law

28 Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT. The

29 Great Southwest Improvement District is a special district created

30 under Section 59, Article XVI, Texas Constitution. (Acts 78th

31 Leg., R.S., Ch. 1159, Sec. 1(a).)

32 Source Law

33 Sec. 1. (a) The Great Southwest Improvement

34 District is a special district created under Section

35 59, Article XVI, Texas Constitution.

36 Revised Law

37 Sec. 3823.003. DECLARATION OF INTENT. (a) The creation of

1 the district is essential to accomplish the purposes of Sections 52  
2 and 52-a, Article III, and Section 59, Article XVI, Texas  
3 Constitution, and other public purposes stated in this chapter.

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

9 (c) This chapter and the creation of the district may not be  
10 interpreted to relieve Tarrant County or the City of Arlington from  
11 providing the level of services provided as of June 20, 2003, to the  
12 area in the district. The district is created to supplement and not  
13 to supplant the county or city services provided in the area in the  
14 district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 3.)

#### 15 Source Law

16 Sec. 3. (a) The creation of the district is  
17 necessary to promote, develop, encourage, and maintain  
18 employment, commerce, transportation, housing,  
19 tourism, recreation, the arts, entertainment,  
20 economic development, safety, and the public welfare  
21 in the area of the district.

22 (b) This legislation and the creation of the  
23 district may not be interpreted to relieve Tarrant  
24 County or the City of Arlington from providing the  
25 level of services provided as of the effective date of  
26 this Act to the area in the district. The district is  
27 created to supplement and not to supplant the county or  
28 city services provided in the area in the district.

29 (c) The creation of the district is essential to  
30 accomplish the purposes of Sections 52 and 52-a,  
31 Article III, and Section 59, Article XVI, Texas  
32 Constitution, and other public purposes stated in this  
33 Act.

#### 34 Revisor's Note

35 Section 3(b), Chapter 1159, Acts of the 78th  
36 Legislature, Regular Session, 2003, refers to "the  
37 effective date of this Act." For the convenience of  
38 the reader, the revised law substitutes for that  
39 phrase the act's effective date, June 20, 2003.

#### 40 Revised Law

41 Sec. 3823.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
42 The district is created to serve a public use and benefit.

43 (b) All land and other property included in the district

1 will benefit from the improvements and services to be provided by  
2 the district under powers conferred by Sections 52 and 52-a,  
3 Article III, and Section 59, Article XVI, Texas Constitution, and  
4 other powers granted under this chapter.

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

7 (1) further the public purposes of development and  
8 diversification of the economy of the state;

9 (2) eliminate unemployment and underemployment; and

10 (3) develop or expand transportation and commerce.

11 (d) The district will:

12 (1) promote the health, safety, and general welfare of  
13 residents, employers, employees, visitors, and consumers in the  
14 district, and of the public;

15 (2) provide needed funding to preserve, maintain, and  
16 enhance the economic health and vitality of the district as a  
17 community and business center; and

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

22 (e) Pedestrian ways along or across a street, whether at  
23 grade or above or below the surface, and street lighting, street  
24 landscaping, and street art objects are parts of and necessary  
25 components of a street and are considered to be a street or road  
26 improvement.

27 (f) The district will not act as the agent or  
28 instrumentality of any private interest even though the district  
29 will benefit many private interests, as well as the public. (Acts  
30 78th Leg., R.S., Ch. 1159, Sec. 6.)

31 Source Law

32 Sec. 6. (a) The district is created to serve a  
33 public use and benefit.

34 (b) All land and other property included in the  
35 district will benefit from the improvements and  
36 services to be provided by the district under powers  
37 conferred by Sections 52 and 52-a, Article III, and

1 Section 59, Article XVI, Texas Constitution, and other  
2 powers granted under this Act.

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

5 (1) further the public purposes of the  
6 development and diversification of the economy of the  
7 state;

8 (2) eliminate unemployment and  
9 underemployment; and

10 (3) develop or expand transportation and  
11 commerce.

12 (d) The district will:

13 (1) promote the health, safety, and  
14 general welfare of residents, employers, employees,  
15 visitors, consumers in the district, and of the  
16 public;

17 (2) provide needed funding to preserve,  
18 maintain, and enhance the economic health and vitality  
19 of the district as a community and business center; and

20 (3) promote the health, safety, welfare,  
21 and enjoyment of the public by providing pedestrian  
22 ways and by landscaping and developing certain areas  
23 in the district, which are necessary for the  
24 restoration, preservation, and enhancement of scenic  
25 beauty.

26 (e) Pedestrian ways along or across a street,  
27 whether at grade or above or below the surface, and  
28 street lighting, street landscaping, and street art  
29 objects are parts of and necessary components of a  
30 street and are considered to be a street or road  
31 improvement.

32 (f) The district will not act as the agent or  
33 instrumentality of any private interest even though  
34 the district will benefit many private interests as  
35 well as the public.

36 Revised Law

37 Sec. 3823.005. DISTRICT TERRITORY. (a) The district is  
38 composed of the territory described by Section 4, Chapter 1159,  
39 Acts of the 78th Legislature, Regular Session, 2003, as that  
40 territory may have been modified under:

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

42 (2) other law.

43 (b) The boundaries and field notes of the district contained  
44 in Section 4, Chapter 1159, Acts of the 78th Legislature, Regular  
45 Session, 2003, form a closure. A mistake made in the field notes or  
46 in copying the field notes in the legislative process does not in  
47 any way affect the district's:

48 (1) organization, existence, or validity;

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

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

1 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
2 1159, Sec. 5; New.)

3 Source Law

4 Sec. 5. The boundaries and field notes of the  
5 district form a closure. If a mistake is made in the  
6 field notes or in copying the field notes in the  
7 legislative process, the mistake does not in any way  
8 affect the district's:

- 9 (1) organization, existence, or validity;  
10 (2) right to issue any type of bond for a  
11 purpose for which the district is created or to pay the  
12 principal of and interest on a bond;  
13 (3) right to impose or collect an  
14 assessment or tax; or  
15 (4) legality or operation.

16 Revisor's Note

17 The revision of the law governing the district  
18 does not revise the statutory language describing the  
19 territory of the district to avoid the lengthy  
20 recitation of the description and because that  
21 description may not be accurate on the effective date  
22 of the revision or at the time of a later reading. For  
23 the reader's convenience, the revised law includes a  
24 reference to the statutory description of the  
25 district's territory and references to statutory  
26 authority to change the district's territory under  
27 Subchapter J, Chapter 49, Water Code, applicable to  
28 the district under Sections 49.001 and 49.002 of that  
29 chapter. The revised law also includes a reference to  
30 the general authority of the legislature to enact  
31 other laws to change the district's territory.

32 Revised Law

33 Sec. 3823.006. APPLICABILITY OF OTHER LAW. Except as  
34 otherwise provided by this chapter, Chapter 375, Local Government  
35 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1159,  
36 Sec. 7(a).)

37 Source Law

38 Sec. 7. (a) Except as otherwise provided by  
39 this Act, Chapter 375, Local Government Code, applies  
40 to the district.

1 Revised Law

2 Sec. 3823.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
3 chapter shall be construed liberally in conformity with the  
4 findings and purposes stated in this chapter. (Acts 78th Leg.,  
5 R.S., Ch. 1159, Sec. 8.)

6 Source Law

7 Sec. 8. This Act shall be liberally construed in  
8 conformity with the findings and purposes stated in  
9 this Act.

10 Revisor's Note  
11 (End of Subchapter)

12 (1) Section 1(b), Chapter 1159, Acts of the 78th  
13 Legislature, Regular Session, 2003, provides that the  
14 board may change the district's name by resolution.  
15 The revised law omits the provision because it  
16 duplicates Section 375.096(d), Local Government Code.  
17 Section 7(a), Chapter 1159, Acts of the 78th  
18 Legislature, Regular Session, 2003 (revised in this  
19 chapter as Section 3823.006), provides that Chapter  
20 375, Local Government Code, applies to the district.  
21 The omitted law reads:

22 (b) The board by resolution may  
23 change the name of the district.

24 (2) Section 7(b), Chapter 1159, Acts of the 78th  
25 Legislature, Regular Session, 2003, provides that the  
26 Code Construction Act (Chapter 311, Government Code)  
27 applies to the act. The revised law omits that  
28 provision because it duplicates Section 311.002,  
29 Government Code (Code Construction Act), applicable to  
30 the revised law. The omitted law reads:

31 (b) Chapter 311, Government Code  
32 (Code Construction Act), applies to this  
33 Act.

34 [Sections 3823.008-3823.050 reserved for expansion]

35 SUBCHAPTER B. BOARD OF DIRECTORS

36 Revised Law

37 Sec. 3823.051. COMPOSITION; TERMS. The district is



1 governed by a board of nine directors who serve staggered terms of  
2 four years, with four or five directors' terms expiring June 1 of  
3 each odd-numbered year. (Acts 78th Leg., R.S., Ch. 1159, Sec. 9.)

4 Source Law

5 Sec. 9. The district is governed by a board of  
6 nine directors who serve staggered terms of four years  
7 with four or five directors' terms expiring June 1 of  
8 each odd-numbered year.

9 Revised Law

10 Sec. 3823.052. QUALIFICATIONS. (a) To be qualified to  
11 serve as a director, a person must be at least 18 years old and:

12 (1) an owner of property subject to assessment by the  
13 district;

14 (2) an owner of a beneficial interest in a trust that  
15 owns property subject to assessment by the district; or

16 (3) an agent, employee, or tenant nominated by a  
17 person covered by Subdivision (1) or (2).

18 (b) Section 375.063, Local Government Code, does not apply  
19 to the board. (Acts 78th Leg., R.S., Ch. 1159, Sec. 10.)

20 Source Law

21 Sec. 10. (a) To be qualified to serve as a  
22 director, a person must be at least 18 years old and:

23 (1) an owner of property subject to  
24 assessment by the district;

25 (2) an owner of a beneficial interest in a  
26 trust that owns property subject to assessment by the  
27 district; or

28 (3) an agent, employee, or tenant  
29 nominated by a person covered by Subdivision (1) or (2)  
30 of this subsection.

31 (b) Section 375.063, Local Government Code,  
32 does not apply to the board.

33 Revised Law

34 Sec. 3823.053. APPOINTMENT OF DIRECTORS. The governing  
35 body of the City of Arlington shall appoint directors from persons  
36 recommended by the board as provided by Section 375.064, Local  
37 Government Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 11.)

38 Source Law

39 Sec. 11. The governing body of the City of  
40 Arlington shall appoint directors from persons  
41 recommended by the board as provided by Section  
42 375.064, Local Government Code.

1 Revised Law

2 Sec. 3823.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

3 (a) Except as provided by this section:

4 (1) a director appointed under Section 11 may  
5 participate in all board votes and decisions; and

6 (2) Chapter 171, Local Government Code, governs  
7 conflicts of interest for directors.

8 (b) Section 171.004, Local Government Code, does not apply  
9 to the district. A director who has a substantial interest in a  
10 business or charitable entity that will receive a pecuniary benefit  
11 from a board action shall file a one-time affidavit declaring the  
12 interest. An additional affidavit is not required if the  
13 director's interest changes. After the affidavit is filed with the  
14 board secretary, the director may participate in a discussion or  
15 vote on that action if:

16 (1) a majority of the directors have a similar  
17 interest in the same entity; or

18 (2) all other similar business or charitable entities  
19 in the district will receive a similar pecuniary benefit.

20 (c) A director who is also an officer or employee of a public  
21 entity may not participate in the discussion of or vote on a matter  
22 regarding a contract with that public entity.

23 (d) For purposes of this section, a director has a  
24 substantial interest in a charitable entity in the same manner that  
25 a person would have a substantial interest in a business entity  
26 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
27 R.S., Ch. 1159, Sec. 12.)

28 Source Law

29 Sec. 12. (a) Except as provided by this  
30 section:

31 (1) a director appointed under Section 11  
32 may participate in all board votes and decisions; and

33 (2) Chapter 171, Local Government Code,  
34 governs conflicts of interest for directors.

35 (b) Section 171.004, Local Government Code,  
36 does not apply to the district. A director who has a  
37 substantial interest in a business or charitable  
38 entity that will receive a pecuniary benefit from a  
39 board action shall file a one-time affidavit declaring  
40 the interest. An additional affidavit is not required

1 if the director's interest changes. After the  
2 affidavit is filed with the board secretary, the  
3 director may participate in a discussion or vote on  
4 that action if:

5 (1) a majority of the directors have a  
6 similar interest in the same entity; or

7 (2) all other similar business or  
8 charitable entities in the district will receive a  
9 similar pecuniary benefit.

10 (c) A director who is also an officer or  
11 employee of a public entity may not participate in the  
12 discussion of or vote on a matter regarding a contract  
13 with that same public entity.

14 (d) For purposes of this section, a director has  
15 a substantial interest in a charitable entity in the  
16 same manner that a person would have a substantial  
17 interest in a business entity under Section 171.002,  
18 Local Government Code.

19 Revised Law

20 Sec. 3823.055. INITIAL DIRECTORS. (a) The initial board  
21 consists of the following persons:

22	Pos. No.	Name of Director
23	1	Jeff Williams
24	2	Jerry Jordan
25	3	Dirk Taylor
26	4	Kevin Santaularia
27	5	Mark Skinner
28	6	Bennett Carter
29	7	Knute Klingen
30	8	Ken McCall
31	9	Dennis Brown

32 (b) Of the initial directors, the terms of directors  
33 appointed for positions 1 through 5 expire on June 1, 2005, and the  
34 terms of directors appointed for positions 6 through 9 expire on  
35 June 1, 2007.

36 (c) Sections 3823.052 and 3823.053 do not apply to this  
37 section.

38 (d) This section expires September 1, 2007. (Acts 78th  
39 Leg., R.S., Ch. 1159, Sec. 25.)

40 Source Law

41 Sec. 25. (a) The initial board consists of the  
42 following persons:

43	Pos. No.	Name of Director
44	1	Jeff Williams
45	2	Jerry Jordan
46	3	Dirk Taylor

1                   4                   Kevin Santaularia  
2                   5                   Mark Skinner  
3                   6                   Bennett Carter  
4                   7                   Knutte Klingen  
5                   8                   Ken McCall  
6                   9                   Dennis Brown

7                   (b) Of the initial directors, the terms of  
8 directors appointed for positions 1 through 5 expire  
9 on June 1, 2005, and the terms of directors appointed  
10 for positions 6 through 9 expire on June 1, 2007.

11                   (c) Sections 10 and 11 do not apply to this  
12 section.

13                   (d) This section expires September 1, 2007.

14                   [Sections 3823.056-3823.100 reserved for expansion]

15                   SUBCHAPTER C. POWERS AND DUTIES

16                                   Revised Law

17                   Sec. 3823.101. ADDITIONAL POWERS OF DISTRICT. The district  
18 may exercise the powers given to:

19                                   (1) a corporation under Section 4B, Development  
20 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
21 Statutes); and

22                                   (2) a housing finance corporation under Chapter 394,  
23 Local Government Code, to provide housing or residential  
24 development projects in the district. (Acts 78th Leg., R.S., Ch.  
25 1159, Sec. 14.)

26                                   Source Law

27                   Sec. 14. The district may exercise the powers  
28 given to:

29                                   (1) a corporation created under Section  
30 4B, Development Corporation Act of 1979 (Article  
31 5190.6, Vernon's Texas Civil Statutes); and

32                                   (2) a housing finance corporation created  
33 under Chapter 394, Local Government Code, to provide  
34 housing or residential development projects in the  
35 district.

36                                   Revised Law

37                   Sec. 3823.102. NONPROFIT CORPORATION. (a) The board by  
38 resolution may authorize the creation of a nonprofit corporation to  
39 assist and act for the district in implementing a project or  
40 providing a service authorized by this chapter.

41                                   (b) The nonprofit corporation has each power of and is  
42 considered for purposes of this chapter to be a local government  
43 corporation created under Chapter 431, Transportation Code.

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

1 corporation shall serve in the same manner as the board of directors  
2 of a local government corporation created under Chapter 431,  
3 Transportation Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 17.)

4 Source Law

5 Sec. 17. (a) The board by resolution may  
6 authorize the creation of a nonprofit corporation to  
7 assist and act on behalf of the district in  
8 implementing a project or providing a service  
9 authorized by this Act.

10 (b) The board shall appoint the board of  
11 directors of the nonprofit corporation. The board of  
12 directors of the nonprofit corporation shall serve in  
13 the same manner as the board of directors of a local  
14 government corporation created under Chapter 431,  
15 Transportation Code.

16 (c) The nonprofit corporation has the powers of  
17 and is considered for purposes of this Act to be a  
18 local government corporation created under Chapter  
19 431, Transportation Code.

20 Revised Law

21 Sec. 3823.103. AGREEMENTS; GRANTS. (a) The district may  
22 make an agreement with or accept a gift, grant, or loan from any  
23 person.

24 (b) The implementation of a project is a governmental  
25 function or service for the purposes of Chapter 791, Government  
26 Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 15.)

27 Source Law

28 Sec. 15. (a) The district may make an agreement  
29 with or accept a gift, grant, or loan from any person.

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

33 Revised Law

34 Sec. 3823.104. LAW ENFORCEMENT SERVICES. To protect the  
35 public interest, the district may contract with Tarrant County or  
36 the City of Arlington to provide law enforcement services in the  
37 district for a fee. (Acts 78th Leg., R.S., Ch. 1159, Sec. 16.)

38 Source Law

39 Sec. 16. To protect the public interest, the  
40 district may contract with the City of Arlington or  
41 Tarrant County to provide law enforcement services in  
42 the district for a fee.

43 Revised Law

44 Sec. 3823.105. COMPETITIVE BIDDING. Section 375.221, Local  
45 Government Code, applies to the district only for a contract that

1 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 1159,  
2 Sec. 23.)

3 Source Law

4 Sec. 23. Section 375.221, Local Government Code,  
5 applies to the district only for a contract that has a  
6 value greater than \$25,000.

7 Revised Law

8 Sec. 3823.106. ELECTRONIC TRANSMISSIONS. (a) The district  
9 may acquire, operate, or charge fees for the use of the district  
10 conduits for:

11 (1) another person's:

12 (A) telecommunications network;

13 (B) fiber-optic cable; or

14 (C) electronic transmission line; or

15 (2) any other type of transmission line or supporting  
16 facility.

17 (b) The district may not require a person to use a district  
18 conduit. (Acts 78th Leg., R.S., Ch. 1159, Sec. 13.)

19 Source Law

20 Sec. 13. (a) The district may acquire, operate,  
21 or charge fees for the use of the district conduits  
22 for:

23 (1) another person's:

24 (A) telecommunications network;

25 (B) fiber-optic cable; or

26 (C) electronic transmission line; or

27 (2) any other type of transmission line or  
28 supporting facility.

29 (b) The district may not require a person to use  
30 a district conduit.

31 [Sections 3823.107-3823.150 reserved for expansion]

32 SUBCHAPTER D. FINANCIAL PROVISIONS

33 Revised Law

34 Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
35 board by resolution shall establish the number of directors'  
36 signatures and the procedure required for a disbursement or  
37 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1159,  
38 Sec. 22.)

39 Source Law

40 Sec. 22. The board by resolution shall establish  
41 the number of directors' signatures and the procedure

1 required for a disbursement or transfer of the  
2 district's money.

3 Revised Law

4 Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
5 The board by resolution may impose an assessment for any purpose  
6 authorized by this chapter.

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

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

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

17 (3) are the personal liability of and a charge against  
18 the owners of the property even if the owners are not named in the  
19 assessment proceedings.

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

24 (Acts 78th Leg., R.S., Ch. 1159, Sec. 19.)

25 Source Law

26 Sec. 19. (a) The board by resolution may impose  
27 and collect an assessment for any purpose authorized  
28 by this Act.

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

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

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

40 (3) are the personal liability of and  
41 charge against the owners of the property even if the  
42 owners are not named in the assessment proceedings.

43 (c) The lien is effective from the date of the  
44 board's resolution imposing the assessment until the  
45 date the assessment is paid. The board may enforce the

1 lien in the same manner that the board may enforce an  
2 ad valorem tax lien against real property.

3 Revisor's Note

4 Section 19(a), Acts of the 78th Legislature,  
5 Regular Session, 2003, provides that the board "may  
6 impose and collect" an assessment. The revised law  
7 omits the reference to the authority to collect the  
8 assessment because the authority to impose an  
9 assessment necessarily implies the authority to  
10 collect it.

11 Revised Law

12 Sec. 3823.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
13 IMPROVEMENTS. (a) The board may not finance a service or  
14 improvement project under this chapter unless a written petition  
15 requesting that service or improvement has been filed with the  
16 board.

17 (b) The petition must be signed by:

18 (1) the owners of a majority of the assessed value of  
19 real property in the district that will be subject to the assessment  
20 according to the most recent certified tax appraisal roll for  
21 Tarrant County; or

22 (2) at least 50 owners of real property in the district  
23 that will be subject to the assessment, if more than 50 persons own  
24 real property in the district that will be subject to assessment  
25 according to the most recent certified tax appraisal roll for  
26 Tarrant County.

27 (c) A petition requesting a project financed by bonds must  
28 be signed by the owners of a majority of the assessed value of real  
29 property in the district that will be subject to the assessment  
30 according to the most recent certified tax appraisal roll for  
31 Tarrant County. (Acts 78th Leg., R.S., Ch. 1159, Secs. 18, 21(c).)

32 Source Law

33 Sec. 18. (a) The board may not finance a  
34 service or improvement project under this Act unless a  
35 written petition requesting that service or  
36 improvement has been filed with the board.

37 (b) The petition must be signed by:

38 (1) the owners of a majority of the



1 assessed value of real property in the district that  
2 will be subject to the assessment as determined by the  
3 most recent certified tax appraisal roll for Tarrant  
4 County; or

5 (2) at least 50 persons who own real  
6 property in the district that will be subject to the  
7 assessment, if there are more than 50 persons who own  
8 real property in the district that will be subject to  
9 assessment as determined by the most recent certified  
10 tax appraisal roll for Tarrant County.

11 [Sec. 21]

12 (c) The board may not issue bonds for a service  
13 or improvement project under this Act unless a written  
14 petition requesting that improvement has been filed  
15 with the board. The petition must be signed by the  
16 owners of a majority of the assessed value of real  
17 property in the district that will be subject to the  
18 assessment as determined by the most recent certified  
19 tax appraisal roll for Tarrant County.

20 Revised Law

21 Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
22 ASSESSMENTS. The district may not impose an impact fee or  
23 assessment on the property, including the equipment,  
24 rights-of-way, facilities, or improvements, of:

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

27 (2) a gas utility as defined by Section 101.003 or  
28 121.001, Utilities Code;

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

31 (4) a person who provides to the public cable  
32 television or advanced telecommunications services. (Acts 78th  
33 Leg., R.S., Ch. 1159, Sec. 20.)

34 Source Law

35 Sec. 20. The district may not impose an impact  
36 fee or assessment on the property, equipment,  
37 rights-of-way, facilities, or improvements of an  
38 electric utility or a power generation company as  
39 defined by Section 31.002, Utilities Code, of a gas  
40 utility as defined by Section 101.003 or 121.001,  
41 Utilities Code, of a telecommunications provider as  
42 defined by Section 51.002, Utilities Code, or of a  
43 person that provides to the public cable television or  
44 advanced telecommunications services.

45 Revised Law

46 Sec. 3823.155. BONDS AND OTHER OBLIGATIONS. (a) The  
47 district may issue bonds or other obligations payable wholly or  
48 partly from assessments, impact fees, revenue, grants, or other

1 money of the district, or any combination of those sources of money,  
2 to pay for any authorized purpose of the district.

3 (b) In exercising the district's power to borrow, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation, or other instrument evidencing  
6 a proportionate interest in payments to be made by the district, or  
7 other type of obligation. (Acts 78th Leg., R.S., Ch. 1159, Secs.  
8 21(a), (b).)

9 Source Law

10 Sec. 21. (a) The district may issue bonds or  
11 other obligations payable in whole or in part from  
12 assessments, impact fees, revenue, grants, or other  
13 money of the district, or any combination of those  
14 sources of money, to pay for any authorized purpose of  
15 the district.

16 (b) In exercising the district's borrowing  
17 power, the district may issue a bond or other  
18 obligation in the form of a bond, note, certificate of  
19 participation, or other instrument evidencing a  
20 proportionate interest in payments to be made by the  
21 district, or other type of obligation.

22 [Sections 3823.156-3823.200 reserved for expansion]

23 SUBCHAPTER E. DISSOLUTION

24 Revised Law

25 Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
26 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
27 that has debt. If the vote is in favor of dissolution, the district  
28 shall remain in existence solely for the limited purpose of  
29 discharging its debts. The dissolution is effective when all debts  
30 have been discharged.

31 (b) Section 375.264, Local Government Code, does not apply  
32 to the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 24.)

33 Source Law

34 Sec. 24. (a) The board may vote to dissolve a  
35 district that has debt. If the vote is in favor of  
36 dissolution, the district shall remain in existence  
37 solely for the limited purpose of discharging its  
38 debts. The dissolution is effective when all debts  
39 have been discharged.

40 (b) Section 375.264, Local Government Code,  
41 does not apply to the district.

42 Revisor's Note  
43 (End of Chapter)

44 Section 26, Chapter 1159, Acts of the 78th

1 Legislature, Regular Session, 2003, recites  
2 legislative findings regarding procedural  
3 requirements for the creation of the district under  
4 the constitution and other laws and rules, including  
5 proper legal notice, filing of recommendations, and  
6 consent by other governmental entities to the creation  
7 of the district. The revised law omits these  
8 provisions as executed. The omitted law reads:

9 Sec. 26. The legislature finds that:

10 (1) proper and legal notice of  
11 the intention to introduce this Act,  
12 setting forth the general substance of this  
13 Act, has been published as provided by law,  
14 and the notice and a copy of this Act have  
15 been furnished to all persons, agencies,  
16 officials, or entities to which they are  
17 required to be furnished by the  
18 constitution and laws of this state,  
19 including the governor, who has submitted  
20 the notice and Act to the Texas Commission  
21 on Environmental Quality;

22 (2) the Texas Commission on  
23 Environmental Quality has filed its  
24 recommendations relating to this Act with  
25 the governor, lieutenant governor, and  
26 speaker of the house of representatives  
27 within the required time;

28 (3) the general law relating to  
29 consent by political subdivisions to the  
30 creation of districts with conservation,  
31 reclamation, and road powers and the  
32 inclusion of land in those districts has  
33 been complied with; and

34 (4) all requirements of the  
35 constitution and laws of this state and the  
36 rules and procedures of the legislature  
37 with respect to the notice, introduction,  
38 and passage of this Act have been fulfilled  
39 and accomplished.

40 CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

41 SUBCHAPTER A. GENERAL PROVISIONS

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1 SUBCHAPTER E. DISSOLUTION

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4 CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Revised Law

7 Sec. 3824.001. DEFINITIONS. In this chapter:

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

10 (2) "District" means the Harborside Management  
11 District. (Acts 78th Leg., R.S., Ch. 1255, Sec. 2.)

12 Source Law

13 Sec. 2. In this Act:

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

16 (2) "District" means the Harborside  
17 Management District.

18 Revised Law

19 Sec. 3824.002. HARBORSIDE MANAGEMENT DISTRICT. The  
20 Harborside Management District is a special district created under  
21 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
22 R.S., Ch. 1255, Sec. 1(a).)

23 Source Law

24 Sec. 1. (a) The Harborside Management District  
25 is a special district created under Section 59,  
26 Article XVI, Texas Constitution.

27 Revised Law

28 Sec. 3824.003. PURPOSE; DECLARATION OF INTENT. (a) The  
29 creation of the district is essential to accomplish the purposes of  
30 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
31 Texas Constitution, and other public purposes stated in this  
32 chapter. By creating the district and in authorizing the City of  
33 Galveston, Galveston County, and other political subdivisions to  
34 contract with the district, the legislature has established a  
35 program to accomplish the public purposes set out in Section 52-a,  
36 Article III, Texas Constitution.

37 (b) The creation of the district is necessary to promote,

1 develop, encourage, and maintain employment, commerce,  
2 transportation, housing, tourism, recreation, the arts,  
3 entertainment, economic development, safety, and the public  
4 welfare in the area of the district.

5 (c) This chapter and the creation of the district may not be  
6 interpreted to relieve Galveston County or the City of Galveston  
7 from providing the level of services provided, as of June 20, 2003,  
8 to the area in the district. The district is created to supplement  
9 and not to supplant the county or city services provided in the area  
10 in the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 3.)

#### 11 Source Law

12 Sec. 3. (a) The creation of the district is  
13 essential to accomplish the purposes of Sections 52  
14 and 52-a, Article III, and Section 59, Article XVI,  
15 Texas Constitution, and other public purposes stated  
16 in this Act.

17 (b) The creation of the district is necessary to  
18 promote, develop, encourage, and maintain employment,  
19 commerce, transportation, housing, tourism,  
20 recreation, the arts, entertainment, economic  
21 development, safety, and the public welfare in the  
22 area of the district.

23 (c) The creation of the district and this  
24 legislation may not be interpreted to relieve  
25 Galveston County or the City of Galveston from  
26 providing the level of services provided, as of the  
27 effective date of this Act, to the area in the  
28 district. The district is created to supplement and  
29 not to supplant the county or city services provided in  
30 the area in the district.

31 (d) By creating the district and in authorizing  
32 the City of Galveston, Galveston County, and other  
33 political subdivisions to contract with the district,  
34 the legislature has established a program to  
35 accomplish the public purposes set out in Section  
36 52-a, Article III, Texas Constitution.

#### 37 Revisor's Note

38 Section 3(c), Chapter 1255, Acts of the 78th  
39 Legislature, Regular Session, 2003, refers to "the  
40 effective date of this Act." For the convenience of  
41 the reader, the revised law substitutes for that  
42 phrase the act's effective date, June 20, 2003.

#### 43 Revised Law

44 Sec. 3824.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
45 The district is created to serve a public use and benefit.

46 (b) All land and other property included in the district

1 will benefit from the improvements and services to be provided by  
2 the district under powers conferred by Sections 52 and 52-a,  
3 Article III, and Section 59, Article XVI, Texas Constitution, and  
4 other powers granted under this chapter.

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

7 (1) further the public purposes of development and  
8 diversification of the economy of the state;

9 (2) eliminate unemployment and underemployment; and

10 (3) develop or expand transportation and commerce.

11 (d) The district will:

12 (1) promote the health, safety, and general welfare of  
13 residents, employers, employees, visitors, and consumers in the  
14 district, and of the public;

15 (2) provide needed funding to preserve, maintain, and  
16 enhance the economic health and vitality of the district as a  
17 community and business center; and

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

22 (e) Pedestrian ways along or across a street, whether at  
23 grade or above or below the surface, and street lighting, street  
24 landscaping, and street art objects are parts of and necessary  
25 components of a street and are considered to be a street or road  
26 improvement.

27 (f) The district will not act as the agent or  
28 instrumentality of any private interest even though the district  
29 will benefit many private interests, as well as the public. (Acts  
30 78th Leg., R.S., Ch. 1255, Sec. 6.)

31 Source Law

32 Sec. 6. (a) The district is created to serve a  
33 public use and benefit. All the land and other  
34 property included in the district will be benefited by  
35 the improvements and services to be provided by the  
36 district under powers conferred by Sections 52 and  
37 52-a, Article III, and Section 59, Article XVI, Texas

1 Constitution, and other powers granted under this Act.

2 (b) The creation of the district is in the  
3 public interest and is essential to:

4 (1) further the public purposes of  
5 development and diversification of the economy of the  
6 state; and

7 (2) eliminate unemployment and  
8 underemployment and develop or expand transportation  
9 and commerce.

10 (c) The district will:

11 (1) promote the health, safety, and  
12 general welfare of residents, employers, employees,  
13 visitors, and consumers in the district and the  
14 general public;

15 (2) provide needed funding to preserve,  
16 maintain, and enhance the economic health and vitality  
17 of the district as a community and business center; and

18 (3) further promote the health, safety,  
19 welfare, and enjoyment of the public by providing  
20 pedestrian ways and by landscaping and developing  
21 certain areas in the district, which are necessary for  
22 the restoration, preservation, and enhancement of  
23 scenic beauty.

24 (d) Pedestrian ways along or across a street,  
25 whether at grade or above or below the surface, and  
26 street lighting, street landscaping, and street art  
27 objects are parts of and necessary components of a  
28 street and are considered to be a street or road  
29 improvement.

30 (e) The district will not act as the agent or  
31 instrumentality of any private interest even though  
32 many private interests will, as well as the general  
33 public, be benefited by the district.

34 Revised Law

35 Sec. 3824.005. DISTRICT TERRITORY. (a) The district is  
36 composed of the territory described by Section 4, Chapter 1255,  
37 Acts of the 78th Legislature, Regular Session, 2003, as that  
38 territory may have been modified under:

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

40 (2) other law.

41 (b) The boundaries and field notes of the district contained  
42 in Section 4, Chapter 1255, Acts of the 78th Legislature, Regular  
43 Session, 2003, form a closure. A mistake made in the field notes or  
44 in copying the field notes in the legislative process does not in  
45 any way affect the district's:

46 (1) organization, existence, or validity;

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

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

51 (4) legality or operation. (Acts 78th Leg., R.S., Ch.



1 1255, Sec. 5; New.)

2 Source Law

3 Sec. 5. The boundaries and field notes of the  
4 district form a closure. If a mistake is made in the  
5 field notes or in copying the field notes in the  
6 legislative process, the mistake does not in any way  
7 affect the district's:

- 8 (1) organization, existence, or validity;
- 9 (2) right to issue any type of bond for a  
10 purpose for which the district is created or to pay the  
11 principal of and interest on a bond;
- 12 (3) right to impose or collect an  
13 assessment or tax; or
- 14 (4) legality or operation.

15 Revisor's Note

16 The revision of the law governing the district  
17 does not revise the statutory language describing the  
18 territory of the district to avoid the recitation of  
19 the description and because that description may not  
20 be accurate on the effective date of the revision or at  
21 the time of a later reading. For the reader's  
22 convenience, the revised law includes a reference to  
23 the statutory description of the district's territory  
24 and to statutory authority to change the district's  
25 territory under Subchapter J, Chapter 49, Water Code,  
26 applicable to the district under Sections 49.001 and  
27 49.002 of that chapter. The revised law also includes  
28 a reference to the general authority of the  
29 legislature to enact other laws to change the  
30 district's territory.

31 Revised Law

32 Sec. 3824.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
33 All or any part of the area of the district is eligible to be  
34 included in:

- 35 (1) a tax increment reinvestment zone created by the  
36 City of Galveston under Chapter 311, Tax Code;
- 37 (2) a tax abatement reinvestment zone created by the  
38 City of Galveston under Chapter 312, Tax Code; or
- 39 (3) an enterprise zone created by the City of  
40 Galveston under Chapter 2303, Government Code. (Acts 78th Leg.,

1 R.S., Ch. 1255, Sec. 30.)

2 Source Law

3 Sec. 30. All or any part of the area of the  
4 district is eligible, notwithstanding other statutory  
5 criteria, to be included in a tax increment  
6 reinvestment zone created by the City of Galveston  
7 under Chapter 311, Tax Code, or included in a tax  
8 abatement reinvestment zone created by the City of  
9 Galveston under Chapter 312, Tax Code. All or any part  
10 of the area of the district is also eligible to be  
11 included in an enterprise zone created by the City of  
12 Galveston under Chapter 2303, Government Code.

13 Revisor's Note

14 Section 30, Chapter 1255, Acts of the 78th  
15 Legislature, Regular Session, 2003, provides that the  
16 district is eligible, "notwithstanding other  
17 statutory criteria," to be included in a tax increment  
18 reinvestment zone or a tax abatement reinvestment  
19 zone. The revised law omits "notwithstanding other  
20 statutory criteria" because the eligibility of the  
21 district established under Section 30 to be included  
22 in the reinvestment zones necessarily superseded any  
23 conflicting statutory criteria previously enacted by  
24 the legislature.

25 Revised Law

26 Sec. 3824.007. APPLICABILITY OF OTHER LAW. Except as  
27 otherwise provided by this chapter, Chapter 375, Local Government  
28 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1255,  
29 Sec. 7(a).)

30 Source Law

31 Sec. 7. (a) Except as otherwise provided by this  
32 Act, Chapter 375, Local Government Code, applies to  
33 the district.

34 Revised Law

35 Sec. 3824.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
36 chapter shall be construed liberally in conformity with the  
37 findings and purposes stated in this chapter. (Acts 78th Leg.,  
38 R.S., Ch. 1255, Sec. 8.)

39 Source Law

40 Sec. 8. This Act shall be liberally construed in

1 conformity with the findings and purposes stated in  
2 this Act.

3 Revisor's Note  
4 (End of Subchapter)

5 (1) Section 1(b), Chapter 1255, Acts of the 78th  
6 Legislature, Regular Session, 2003, provides that the  
7 board may change the district's name by resolution.  
8 The revised law omits the provision because it  
9 duplicates Section 375.096(d), Local Government Code.  
10 Section 7(a), Chapter 1255, Acts of the 78th  
11 Legislature, Regular Session, 2003 (revised in this  
12 chapter as Section 3824.007), provides that Chapter  
13 375, Local Government Code, applies to the district.  
14 Throughout this chapter, provisions that duplicate  
15 provisions of Chapter 375, Local Government Code, have  
16 been omitted. The relevant sections of Chapter 375 are  
17 cited in revisor's notes. The omitted law reads:

18 (b) The board by resolution may  
19 change the name of the district.

20 (2) Section 7(b), Chapter 1255, Acts of the 78th  
21 Legislature, Regular Session, 2003, provides that the  
22 Code Construction Act (Chapter 311, Government Code)  
23 applies to the act. The revised law omits that  
24 provision because it duplicates Section 311.002,  
25 Government Code (Code Construction Act), applicable to  
26 the revised law. The omitted law reads:

27 (b) Chapter 311, Government Code,  
28 applies to this Act.

29 [Sections 3824.009-3824.050 reserved for expansion]

30 SUBCHAPTER B. BOARD OF DIRECTORS

31 Revised Law

32 Sec. 3824.051. COMPOSITION; TERMS. (a) Except as provided  
33 by Subsection (c), the district is governed by a board of five  
34 voting directors appointed under Section 3824.052 and nonvoting  
35 directors as provided by Section 3824.053.

36 (b) Voting directors serve staggered terms of four years,  
37 with two or three directors' terms expiring June 1 of each

1 odd-numbered year.

2 (c) The board by resolution may increase or decrease the  
3 number of directors on the board if the board finds it is in the best  
4 interest of the district. The board may not consist of fewer than 5  
5 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
6 9.)

7 Source Law

8 Sec. 9. (a) Except as provided by Subsection  
9 (c), the district is governed by a board of five voting  
10 directors appointed under Section 10 and nonvoting  
11 directors as provided by Section 11.

12 (b) Voting directors serve staggered terms of  
13 four years, with three directors' terms expiring June 1  
14 of an odd-numbered year and two directors' terms  
15 expiring June 1 of the following odd-numbered year.

16 (c) The board may increase or decrease the  
17 number of directors on the board by resolution,  
18 provided that it is in the best interest of the  
19 district to do so and that the board consists of not  
20 fewer than five and not more than 15 directors.

21 Revised Law

22 Sec. 3824.052. APPOINTMENT OF DIRECTORS. The governing  
23 body of the City of Galveston shall appoint voting directors to the  
24 board. (Acts 78th Leg., R.S., Ch. 1255, Sec. 10.)

25 Source Law

26 Sec. 10. The governing body of the City of  
27 Galveston shall appoint voting directors to the board.

28 Revised Law

29 Sec. 3824.053. NONVOTING DIRECTORS. (a) The following  
30 persons serve as nonvoting directors:

31 (1) the directors of the following departments of the  
32 City of Galveston or a person designated by that director:

- 33 (A) parks and recreation;  
34 (B) planning and zoning; and  
35 (C) public works; and

36 (2) the city manager of the City of Galveston or a  
37 person designated by the city manager.

38 (b) If a department described by Subsection (a) is  
39 consolidated, renamed, or changed, the board may appoint a director  
40 of the consolidated, renamed, or changed department as a nonvoting  
41 director. If a department described by Subsection (a) is

1 abolished, the board may appoint a representative of another  
2 department that performs duties comparable to those performed by  
3 the abolished department.

4 (c) Nonvoting directors are not counted for the purposes of  
5 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch.  
6 1255, Sec. 11.)

7 Source Law

8 Sec. 11. (a) The following persons serve as  
9 nonvoting directors:

10 (1) the directors of the following  
11 departments of the City of Galveston or their  
12 designees:

- 13 (A) parks and recreation;
- 14 (B) planning and zoning; and
- 15 (C) public works; and

16 (2) the city manager of the City of  
17 Galveston or the city manager's designee.

18 (b) If an agency, department, or division  
19 described by Subsection (a) is consolidated, renamed,  
20 or changed, the board may appoint a director of the  
21 consolidated, renamed, or changed agency, department,  
22 or division as a nonvoting director. If an agency,  
23 department, or division described by Subsection (a) is  
24 abolished, the board may appoint a representative of  
25 another agency, department, or division that performs  
26 duties comparable to those performed by the abolished  
27 entity.

28 (c) Nonvoting directors are not counted for the  
29 purposes of establishing a quorum of the board.

30 Revisor's Note

31 Section 11(b), Chapter 1255, Acts of the 78th  
32 Legislature, Regular Session, 2003, refers to an  
33 "agency, department, or division described by  
34 Subsection (a)" of Section 11. The revised law omits  
35 the references to "agency" and "division" because  
36 Section 11(a) refers only to "departments" and  
37 because, in this context, the terms are synonymous.

38 Revised Law

39 Sec. 3824.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

40 (a) Except as provided by this section:

41 (1) a director may participate in all board votes and  
42 decisions; and

43 (2) Chapter 171, Local Government Code, governs  
44 conflicts of interest for directors.

45 (b) Section 171.004, Local Government Code, does not apply

1 to the district. A director who has a substantial interest in a  
2 business or charitable entity that will receive a pecuniary benefit  
3 from a board action shall file a one-time affidavit declaring the  
4 interest. An additional affidavit is not required if the  
5 director's interest changes. After the affidavit is filed with the  
6 board secretary, the director may participate in a discussion or  
7 vote on that action if:

8 (1) a majority of the directors have a similar  
9 interest in the same entity; or

10 (2) all other similar business or charitable entities  
11 in the district will receive a similar pecuniary benefit.

12 (c) A director who is also an officer or employee of a public  
13 entity may not participate in the discussion of or vote on a matter  
14 regarding a contract with that public entity.

15 (d) For purposes of this section, a director has a  
16 substantial interest in a charitable entity in the same manner that  
17 a person would have a substantial interest in a business entity  
18 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
19 R.S., Ch. 1255, Sec. 12.)

20 Source Law

21 Sec. 12. (a) Except as provided by this  
22 section:

23 (1) a director may participate in all  
24 board votes and decisions; and

25 (2) Chapter 171, Local Government Code,  
26 governs conflicts of interest for directors.

27 (b) Section 171.004, Local Government Code,  
28 does not apply to the district. A director who has a  
29 substantial interest in a business or charitable  
30 entity that will receive a pecuniary benefit from a  
31 board action shall file a one-time affidavit declaring  
32 the interest. An additional affidavit is not required  
33 if the director's interest changes. After the  
34 affidavit is filed with the board secretary, the  
35 director may participate in a discussion or vote on  
36 that action if:

37 (1) a majority of the directors have a  
38 similar interest in the same entity; or

39 (2) all other similar business or  
40 charitable entities in the district will receive a  
41 similar pecuniary benefit.

42 (c) A director who is also an officer or  
43 employee of a public entity may not participate in the  
44 discussion of or vote on a matter regarding a contract  
45 with that public entity.

46 (d) For purposes of this section, a director has  
47 a substantial interest in a charitable entity in the  
48 same manner that a person would have a substantial

1 interest in a business entity under Section 171.002,  
2 Local Government Code.

3 Revised Law

4 Sec. 3824.055. INITIAL DIRECTORS. (a) The initial board  
5 consists of the following persons:

6	Pos. No.	Name of Director
7	1	John Sullivan
8	2	Richard Ryan
9	3	John Kelso
10	4	Douglas Harris
11	5	Glenn Forman, Jr.

12 (b) Of the initial directors, the terms of directors  
13 appointed for positions 1 through 3 expire June 1, 2007, and the  
14 terms of directors appointed for positions 4 and 5 expire June 1,  
15 2005.

16 (c) Section 3824.052 does not apply to this section.

17 (d) This section expires September 1, 2007. (Acts 78th Leg.,  
18 R.S., Ch. 1255, Sec. 27.)

19 Source Law

20 Sec. 27. (a) The initial board consists of the  
21 following persons:

22	Pos. No.	Name of Director
23	1	John Sullivan
24	2	Richard Ryan
25	3	John Kelso
26	4	Douglas Harris
27	5	Glenn Forman, Jr.

28 (b) Of the initial directors, the terms of  
29 directors appointed for positions 1 through 3 expire  
30 June 1, 2007, and the terms of directors appointed for  
31 positions 4 and 5 expire June 1, 2005.

32 (c) Section 10 does not apply to this section.

33 (d) This section expires September 1, 2007.

34 [Sections 3824.056-3824.100 reserved for expansion]

35 SUBCHAPTER C. POWERS AND DUTIES

36 Revised Law

37 Sec. 3824.101. ADDITIONAL POWERS OF DISTRICT. The district  
38 may exercise the powers given to:

39 (1) a corporation under Section 4B, Development  
40 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
41 Statutes), including the power to own, operate, acquire, construct,  
42 lease, improve, and maintain projects described by that section;

1 (2) a housing finance corporation under Chapter 394,  
2 Local Government Code, to provide housing or residential  
3 development projects in the district;

4 (3) a municipality under Chapter 380, Local Government  
5 Code;

6 (4) an entity described in Chapters 284 and 441,  
7 Transportation Code; and

8 (5) a district governed by Subchapters E and M,  
9 Chapter 60, Water Code, and Section 61.116, Water Code. (Acts 78th  
10 Leg., R.S., Ch. 1255, Secs. 13, 31 (part).)

11 Source Law

12 Sec. 13. The district may exercise the powers  
13 given to:

14 (1) a corporation under Section 4B,  
15 Development Corporation Act of 1979 (Article 5190.6,  
16 Vernon's Texas Civil Statutes), including the power to  
17 own, operate, acquire, construct, lease, improve, and  
18 maintain projects described by that section;

19 (2) a housing finance corporation created  
20 under Chapter 394, Local Government Code, to provide  
21 housing or residential development projects in the  
22 district;

23 (3) entities described in Chapters 441 and  
24 284, Transportation Code, and may exercise those  
25 powers as if specifically named therein; and

26 (4) districts governed by Subchapters E  
27 and M, Chapter 60, Water Code, and Section 61.116,  
28 Water Code.

29 Sec. 31. . . . The district has all of the  
30 powers and authority of a municipality under Chapter  
31 380, Local Government Code.

32 Revisor's Note

33 Section 31, Chapter 1255, Acts of the 78th  
34 Legislature, Regular Session, 2003, provides that the  
35 district has the "powers and authority" of a  
36 municipality under Chapter 380, Local Government Code.  
37 The revised law omits "authority" because, in this  
38 context, the meaning of "authority" is included in the  
39 meaning of "powers."

40 Revised Law

41 Sec. 3824.102. NONPROFIT CORPORATION. (a) The board by  
42 resolution may authorize the creation of a nonprofit corporation to  
43 assist and act for the district in implementing a project or



1 providing a service authorized by this chapter.

2 (b) The nonprofit corporation:

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

6 (2) may implement any project and provide any service  
7 authorized by this chapter.

8 (c) The board shall appoint the board of directors of the  
9 nonprofit corporation. The board of directors of the nonprofit  
10 corporation shall serve in the same manner as the board of directors  
11 of a local government corporation created under Chapter 431,  
12 Transportation Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 16.)

13 Source Law

14 Sec. 16. (a) The board by resolution may  
15 authorize the creation of a nonprofit corporation to  
16 assist and act on behalf of the district in  
17 implementing a project or providing a service  
18 authorized by this Act.

19 (b) The board shall appoint the board of  
20 directors of a nonprofit corporation created under  
21 this section. The board of directors of the nonprofit  
22 corporation shall serve in the same manner as the board  
23 of directors of a local government corporation created  
24 under Chapter 431, Transportation Code.

25 (c) A nonprofit corporation created under this  
26 section has the powers of and is considered for  
27 purposes of this Act to be a local government  
28 corporation created under Chapter 431, Transportation  
29 Code.

30 (d) A nonprofit corporation created under this  
31 section may implement any project and provide any  
32 service authorized by this Act.

33 Revised Law

34 Sec. 3824.103. AGREEMENTS; GRANTS. (a) The district may  
35 make an agreement with or accept a gift, grant, or loan from any  
36 person.

37 (b) The implementation of a project is a governmental  
38 function or service for the purposes of Chapter 791, Government  
39 Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 14.)

40 Source Law

41 Sec. 14. (a) The district may make an agreement  
42 with or accept a gift, grant, or loan from any person.

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

1 Revised Law

2 Sec. 3824.104. LAW ENFORCEMENT SERVICES. To protect the  
3 public interest, the district may contract with Galveston County or  
4 the City of Galveston to provide law enforcement services in the  
5 district for a fee. (Acts 78th Leg., R.S., Ch. 1255, Sec. 15.)

6 Source Law

7 Sec. 15. To protect the public interest, the  
8 district may contract with Galveston County or the  
9 City of Galveston to provide law enforcement services  
10 in the district for a fee.

11 Revised Law

12 Sec. 3824.105. COMPETITIVE BIDDING. Section 375.221, Local  
13 Government Code, applies to the district only for a contract that  
14 has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 1255,  
15 Sec. 25.)

16 Source Law

17 Sec. 25. Section 375.221, Local Government  
18 Code, applies to the district only for a contract that  
19 has a value greater than \$15,000.

20 Revised Law

21 Sec. 3824.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a)  
22 The district may join and pay dues to an organization that:

23 (1) enjoys tax-exempt status under Section 501(c)(3),  
24 (4), or (6), Internal Revenue Code of 1986, as amended; and

25 (2) performs a service or provides an activity  
26 consistent with the furtherance of a district purpose.

27 (b) An expenditure of public money for membership in the  
28 organization is considered to further a district purpose and to be  
29 for a public purpose. (Acts 78th Leg., R.S., Ch. 1255, Sec. 29.)

30 Source Law

31 Sec. 29. The district may join and pay dues to  
32 an organization that enjoys tax-exempt status under  
33 Section 501(c)(3), (4), or (6), Internal Revenue Code  
34 of 1986, as amended, and that performs services or  
35 provides activities consistent with the furtherance of  
36 the purposes of the district. An expenditure of public  
37 money for membership in the organization is considered  
38 to further the purposes of the district and to be for a  
39 public purpose.

40 Revised Law

41 Sec. 3824.107. ECONOMIC DEVELOPMENT PROGRAMS. The district

1 may establish and provide for the administration of one or more  
2 programs to promote state or local economic development and to  
3 stimulate business and commercial activity in the district,  
4 including programs to:

- 5 (1) make loans and grants of public money; and
- 6 (2) provide district personnel and services. (Acts  
7 78th Leg., R.S., Ch. 1255, Sec. 31 (part).)

8 Source Law

9 Sec. 31. The district may establish and provide  
10 for the administration of one or more programs,  
11 including programs for making loans and grants of  
12 public money and providing personnel and services of  
13 the district, to promote state or local economic  
14 development and to stimulate business and commercial  
15 activity in the district. . . .

16 [Sections 3824.108-3824.150 reserved for expansion]

17 SUBCHAPTER D. FINANCIAL PROVISIONS

18 Revised Law

19 Sec. 3824.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
20 board by resolution shall establish the number of directors'  
21 signatures and the procedure required for a disbursement or  
22 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1255,  
23 Sec. 24.)

24 Source Law

25 Sec. 24. The board by resolution shall  
26 establish the number of directors' signatures and the  
27 procedure required for a disbursement or transfer of  
28 the district's money.

29 Revised Law

30 Sec. 3824.152. TAX AND BOND ELECTIONS. (a) The district  
31 shall hold an election in the manner provided by Subchapter L,  
32 Chapter 375, Local Government Code, to obtain voter approval before  
33 the district imposes a maintenance tax or issues bonds payable from  
34 ad valorem taxes.

35 (b) The board may not include more than one purpose in a  
36 single proposition at an election.

37 (c) Section 375.243, Local Government Code, does not apply  
38 to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 18.)

1 Source Law

2 Sec. 18. (a) The district shall hold an  
3 election in the manner provided by Subchapter L,  
4 Chapter 375, Local Government Code, to obtain voter  
5 approval before the district imposes a maintenance tax  
6 or issues a bond payable from ad valorem taxes.

7 (b) The board may not include more than one  
8 purpose in a single proposition at an election.

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

11 Revised Law

12 Sec. 3824.153. MAINTENANCE AND OPERATION TAX. (a) If  
13 authorized at an election held in accordance with Section 3824.152,  
14 the district may impose an annual ad valorem tax on taxable property  
15 in the district for the:

16 (1) maintenance and operation of the district and the  
17 improvements constructed or acquired by the district; or

18 (2) provision of a service.

19 (b) The board shall determine the tax rate. (Acts 78th  
20 Leg., R.S., Ch. 1255, Sec. 19.)

21 Source Law

22 Sec. 19. (a) If authorized at an election held  
23 in accordance with Section 18, the district may impose  
24 an annual ad valorem tax on taxable property in the  
25 district for the maintenance and operation of the  
26 district and the improvements constructed or acquired  
27 by the district or for the provision of services.

28 (b) The board shall determine the tax rate.

29 Revised Law

30 Sec. 3824.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
31 The board by resolution may impose an assessment for any purpose  
32 authorized by this chapter.

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

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

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

1 taxes; and

2 (3) are the personal liability of and a charge against  
3 the owners of the property even if the owners are not named in the  
4 assessment proceedings.

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

9 (d) The board may make a correction to or deletion from the  
10 assessment roll that does not increase the amount of assessment of  
11 any parcel of land without providing notice and holding a hearing in  
12 the manner required for additional assessments. (Acts 78th Leg.,  
13 R.S., Ch. 1255, Sec. 20.)

14 Source Law

15 Sec. 20. (a) The board by resolution may impose  
16 and collect an assessment for any purpose authorized  
17 by this Act.

18 (b) An assessment, including assessments  
19 resulting from an addition to or correction of the  
20 assessment roll by the district, reassessments,  
21 penalties and interest on an assessment or  
22 reassessment, expenses of collection, and reasonable  
23 attorney's fees incurred by the district:

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

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

29 (3) are the personal liability of and  
30 charge against the owners of the property even if the  
31 owners are not named in the assessment proceedings.

32 (c) A lien is effective from the date of the  
33 resolution of the board imposing the assessment until  
34 the date the assessment is paid. The board may enforce  
35 the lien in the same manner that the board may enforce  
36 an ad valorem tax lien against real property.

37 (d) Without necessity of notice and hearing in  
38 the manner required for additional assessments, the  
39 board may make corrections to or deletions from the  
40 assessment roll provided that such corrections or  
41 deletions do not increase the amount of assessment of  
42 any parcel of land.

43 Revisor's Note

44 Section 20, Chapter 1255, Acts of the 78th  
45 Legislature, Regular Session, 2003, provides that the  
46 board may "impose and collect" an assessment. The  
47 revised law omits the reference to the authority to  
48 collect the assessment because the authority to impose

1 an assessment necessarily implies the authority to  
2 collect it.

3 Revised Law

4 Sec. 3824.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
5 IMPROVEMENTS. (a) The board may not finance a service or  
6 improvement project with assessments under this chapter unless a  
7 written petition requesting that service or improvement has been  
8 filed with the board.

9 (b) The petition must be signed by the owners of a majority  
10 of the assessed value of real property in the district subject to  
11 assessment according to the most recent certified tax appraisal  
12 roll for Galveston County. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
13 17.)

14 Source Law

15 Sec. 17. The board may not finance a service or  
16 improvement project with assessments under this Act  
17 unless a written petition requesting that improvement  
18 or service has been filed with the board. The petition  
19 must be signed by the owners of a majority of the  
20 assessed value of real property in the district  
21 subject to assessment as determined by the most recent  
22 certified tax appraisal roll for Galveston County.

23 Revised Law

24 Sec. 3824.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
25 ASSESSMENTS. The district may not impose an impact fee or  
26 assessment on the property, including the equipment,  
27 rights-of-way, facilities, or improvements, of:

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

30 (2) a gas utility as defined by Section 101.003 or  
31 121.001, Utilities Code;

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

34 (4) a person who provides to the public cable  
35 television or advanced telecommunications services. (Acts 78th  
36 Leg., R.S., Ch. 1255, Sec. 21 (part).)

37 Source Law

38 Sec. 21. The district may not impose an impact

1 fee or assessment on the property, equipment, rights  
2 of way, facilities, or improvements of an electric  
3 utility or a power generation company as defined by  
4 Section 31.002, Utilities Code, a gas utility as  
5 defined by Section 101.003 or 121.001, Utilities Code,  
6 a telecommunications provider as defined by Section  
7 51.002, Utilities Code, or of a person that provides to  
8 the public cable television or advanced  
9 telecommunications services. . . .

10 Revisor's Note

11 Section 21, Chapter 1255, Acts of the 78th  
12 Legislature, Regular Session, 2003, exempts utilities  
13 from assessments and impact fees and also requires  
14 that "relocation, rerouting, or removal" of utility  
15 property be performed at the sole expense of the  
16 district. The revised law omits the requirements  
17 because they duplicate requirements contained in  
18 Section 375.093(c), Local Government Code. The  
19 omitted law reads:

20 Sec. 21. . . . If the district, in  
21 the exercise of the powers conferred upon it  
22 herein, requires or requests the  
23 relocation, rerouting, or removal of  
24 electric, gas, water, sewer,  
25 communications, or other public utilities,  
26 as defined in Sections 31.002, 101.003,  
27 121.001, and 51.002, Utilities Code, such  
28 relocation, rerouting, or removal shall be  
29 at the sole expense of the district.

30 Revised Law

31 Sec. 3824.157. BONDS AND OTHER OBLIGATIONS. (a) The  
32 district may issue bonds or other obligations payable wholly or  
33 partly from ad valorem taxes, assessments, impact fees, revenue,  
34 grants, or other money of the district, or any combination of those  
35 sources of money, to pay for any authorized purpose of the district.

36 (b) In exercising the district's power to borrow, the  
37 district may issue a bond or other obligation in the form of a bond,  
38 note, certificate of participation or other instrument evidencing a  
39 proportionate interest in payments to be made by the district, or  
40 other type of obligation. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
41 22.)

42 Source Law

43 Sec. 22. (a) The district may issue bonds or  
44 other obligations payable in whole or in part from ad

1 valorem taxes, assessments, impact fees, revenue,  
2 grants, or other money of the district, or any  
3 combination of those sources of money, to pay for any  
4 authorized purpose of the district.

5 (b) In exercising the district's borrowing  
6 power, the district may issue a bond or other  
7 obligation in the form of a bond, note, certificate of  
8 participation or other instrument evidencing a  
9 proportionate interest in payments to be made by the  
10 district, or other type of obligation.

11 Revised Law

12 Sec. 3824.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
13 OBLIGATIONS. Except as provided by Section 375.263, Local  
14 Government Code, a municipality is not required to pay a bond, note,  
15 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
16 1255, Sec. 23.)

17 Source Law

18 Sec. 23. Except as provided by Section 375.263,  
19 Local Government Code, a municipality is not required  
20 to pay a bond, note, or other obligation of the  
21 district.

22 Revised Law

23 Sec. 3824.159. TAX AND ASSESSMENT ABATEMENTS. Without  
24 further authorization or other procedural requirement, the  
25 district may grant, consistent with Chapter 312, Tax Code, an  
26 abatement for a tax or assessment owed to the district. (Acts 78th  
27 Leg., R.S., Ch. 1255, Sec. 28.)

28 Source Law

29 Sec. 28. Without further authorization or other  
30 procedural requirement, the district may grant,  
31 consistent with Chapter 312, Tax Code, an abatement  
32 for a tax or assessment owed to the district.

33 [Sections 3824.160-3824.200 reserved for expansion]

34 SUBCHAPTER E. DISSOLUTION

35 Revised Law

36 Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
37 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
38 that has debt. If the vote is in favor of dissolution, the district  
39 shall remain in existence solely for the limited purpose of  
40 discharging its debts. The dissolution is effective when all debts  
41 have been discharged.

42 (b) Section 375.264, Local Government Code, does not apply



1 to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 26.)

2 Source Law

3 Sec. 26. (a) The board may vote to dissolve a  
4 district that has debt. If the vote is in favor of  
5 dissolution, the district shall remain in existence  
6 solely for the limited purpose of discharging its  
7 debts. The dissolution is effective when all debts  
8 have been discharged.

9 (b) Section 375.264, Local Government Code,  
10 does not apply to the district.

11 Revisor's Note  
12 (End of Chapter)

13 Section 32, Chapter 1255, Acts of the 78th  
14 Legislature, Regular Session, 2003, recites  
15 legislative findings regarding procedural  
16 requirements for the creation of the district under  
17 the constitution and other laws and rules, including  
18 proper legal notice, filing of recommendations, and  
19 consent by other governmental entities to the creation  
20 of the district. The revised law omits these  
21 provisions as executed. The omitted law reads:

22 Sec. 32. The legislature finds that:

23 (1) proper and legal notice of  
24 the intention to introduce this Act,  
25 setting forth the general substance of this  
26 Act, has been published as provided by law,  
27 and the notice and a copy of this Act have  
28 been furnished to all persons, agencies,  
29 officials, or entities to which they are  
30 required to be furnished by the  
31 constitution and laws of this state,  
32 including the governor, who has submitted  
33 the notice and Act to the Texas Commission  
34 on Environmental Quality;

35 (2) the Texas Commission on  
36 Environmental Quality has filed its  
37 recommendations relating to this Act with  
38 the governor, lieutenant governor, and  
39 speaker of the house of representatives  
40 within the required time;

41 (3) the general law relating to  
42 consent by political subdivisions to the  
43 creation of districts with conservation,  
44 reclamation, and road powers and the  
45 inclusion of land in those districts has  
46 been complied with; and

47 (4) all requirements of the  
48 constitution and laws of this state and the  
49 rules and procedures of the legislature  
50 with respect to the notice, introduction,  
51 and passage of this Act have been fulfilled  
52 and accomplished.

1           CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

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33           CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

34                           SUBCHAPTER A. GENERAL PROVISIONS

1 Revised Law

2 Sec. 3825.001. DEFINITIONS. In this chapter:

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

5 (2) "District" means Harris County Road Improvement  
6 District No. 1. (Acts 78th Leg., R.S., Ch. 885, Sec. 3.)

7 Source Law

8 Sec. 3. In this Act:

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

11 (2) "District" means Harris County Road  
12 Improvement District No. 1.

13 Revised Law

14 Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO.  
15 1. Harris County Road Improvement District No. 1 is a special  
16 district created under Section 52, Article III, and Section 59,  
17 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 885,  
18 Sec. 1(a).)

19 Source Law

20 Sec. 1. (a) Harris County Road Improvement  
21 District No. 1 is created as a special district under  
22 Section 52, Article III, and Section 59, Article XVI,  
23 Texas Constitution.

24 Revised Law

25 Sec. 3825.003. PURPOSE; DECLARATION OF INTENT. (a) The  
26 creation of the district is essential to accomplish the purposes of  
27 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
28 Texas Constitution, and other public purposes stated in this  
29 chapter.

30 (b) The creation of the district is necessary to promote,  
31 develop, encourage, and maintain employment, commerce,  
32 transportation, housing, tourism, recreation, the arts,  
33 entertainment, economic development, safety, and the public  
34 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
35 885, Sec. 2.)

36 Source Law

37 Sec. 2. (a) The creation of the district is  
38 necessary to promote, develop, encourage, and maintain  
39 transportation, safety, employment, commerce,

1 housing, tourism, recreation, the arts,  
2 entertainment, economic development, and the public  
3 welfare in the area of the district.

4 (b) The creation of the district is essential to  
5 accomplish the purposes of Sections 52 and 52-a,  
6 Article III, and Section 59, Article XVI, Texas  
7 Constitution, and other public purposes stated in this  
8 Act.

9 Revised Law

10 Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
11 The district is created to serve a public use and benefit.

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

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

19 (1) further the public purposes of development and  
20 diversification of the economy of the state;

21 (2) eliminate unemployment and underemployment; and

22 (3) develop or expand transportation and commerce.

23 (d) The present and prospective traffic congestion in the  
24 district and the safety of pedestrians and the limited availability  
25 of funds require the promotion and development of public  
26 transportation and pedestrian facilities and systems, and the  
27 district will serve the public purpose of securing expanded and  
28 improved transportation and pedestrian facilities and systems.

29 (e) The district will:

30 (1) promote the health, safety, and general welfare of  
31 residents, employers, employees, visitors, and consumers in the  
32 district, and of the public;

33 (2) provide needed funding to preserve, maintain, and  
34 enhance the economic health and vitality of the district as a  
35 community; and

36 (3) promote the health, safety, welfare, and enjoyment  
37 of the public by providing pedestrian ways and by landscaping and  
38 developing certain areas in the district, which are necessary for

1 the restoration, preservation, and enhancement of scenic beauty.

2 (f) Pedestrian ways along or across a street, whether at  
3 grade or above or below the surface, and street lighting, street  
4 landscaping, and street art objects are parts of and necessary  
5 components of a street and are considered to be a street or road  
6 improvement.

7 (g) The district will not act as the agent or  
8 instrumentality of any private interest even though the district  
9 will benefit many private interests, as well as the public. (Acts  
10 78th Leg., R.S., Ch. 885, Sec. 6.)

11 Source Law

12 Sec. 6. (a) The district is created to serve a  
13 public use and benefit.

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

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

22 (1) further the public purposes of the  
23 development and diversification of the economy of the  
24 state;

25 (2) eliminate unemployment and  
26 underemployment; and

27 (3) develop or expand transportation and  
28 commerce.

29 (d) The present and prospective traffic  
30 congestion in the district and the safety of  
31 pedestrians and the limited availability of funds  
32 require the promotion and development of public  
33 transportation and pedestrian facilities and systems,  
34 and the district will serve the public purpose of  
35 securing expanded and improved transportation and  
36 pedestrian facilities and systems.

37 (e) The district will:

38 (1) promote the health, safety, and  
39 general welfare of residents, employers, employees,  
40 visitors, and consumers in the district and of the  
41 public;

42 (2) provide needed funding to preserve,  
43 maintain, and enhance the economic health and vitality  
44 of the district as a community; and

45 (3) promote the health, safety, welfare,  
46 and enjoyment of the public by providing pedestrian  
47 ways and by landscaping and developing certain areas  
48 in the district, which are necessary for the  
49 restoration, preservation, and enhancement of scenic  
50 beauty.

51 (f) Pedestrian ways along or across a street,  
52 whether at grade or above or below the surface, and  
53 street lighting, street landscaping, and street art  
54 objects are parts of and necessary components of a  
55 street and are considered to be a street or road  
56 improvement.

57 (g) The district will not act as the agent or

1 instrumentality of any private interest even though  
2 the district will benefit many private interests as  
3 well as the public.

4 Revised Law

5 Sec. 3825.005. DISTRICT TERRITORY. (a) The district is  
6 composed of the territory described by Section 4, Chapter 885, Acts  
7 of the 78th Legislature, Regular Session, 2003, as that territory  
8 may have been modified under:

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

10 (2) other law.

11 (b) The boundaries and field notes of the district contained  
12 in Section 4, Chapter 885, Acts of the 78th Legislature, Regular  
13 Session, 2003, form a closure. A mistake made in the field notes or  
14 in copying the field notes in the legislative process does not in  
15 any way affect the district's:

16 (1) organization, existence, or validity;

17 (2) right to issue any type of bond for the purposes  
18 for which the district is created or to pay the principal of and  
19 interest on a bond;

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

21 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
22 885, Sec. 5; New.)

23 Source Law

24 Sec. 5. The boundaries and field notes of the  
25 district form a closure. A mistake in the field notes  
26 or in copying the field notes in the legislative  
27 process does not in any way affect the district's:

28 (1) organization, existence, or validity;

29 (2) right to issue any type of bond for the  
30 purposes for which the district is created or to pay  
31 the principal of and interest on a bond;

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

34 (4) legality or operation.

35 Revisor's Note

36 The revision of the law governing the district  
37 does not revise the statutory language describing the  
38 territory of the district to avoid the lengthy  
39 recitation of the description and because that  
40 description may not be accurate on the effective date  
41 of the revision or at the time of a later reading. For

1 the reader's convenience, the revised law includes a  
2 reference to the statutory description of the  
3 district's territory and references to statutory  
4 authority to change the district's territory under  
5 Subchapter J, Chapter 49, Water Code, applicable to  
6 the district under Sections 49.001 and 49.002 of that  
7 chapter and Section 3825.101 of this chapter. The  
8 revised law also includes a reference to the general  
9 authority of the legislature to enact other laws to  
10 change the district's territory.

11 Revised Law

12 Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
13 chapter shall be construed liberally in conformity with the  
14 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
15 R.S., Ch. 885, Sec. 8(a).)

16 Source Law

17 Sec. 8. (a) This Act shall be liberally  
18 construed in conformity with the findings and purposes  
19 set forth in this Act.

20 Revisor's Note  
21 (End of Subchapter)

22 (1) Section 1(b), Chapter 885, Acts of the 78th  
23 Legislature, Regular Session, 2003, provides that the  
24 board may change the district's name by resolution.  
25 The revised law omits the provision because it  
26 duplicates Section 375.096(d), Local Government Code.  
27 Section 11(2), Chapter 885, Acts of the 78th  
28 Legislature, Regular Session, 2003 (revised in this  
29 chapter as Section 3825.101(2)), provides that the  
30 district has the powers provided by Chapter 375, Local  
31 Government Code. The omitted law reads:

32 (b) The board by resolution may  
33 change the district's name.

34 (2) Section 7, Chapter 885, Acts of the 78th  
35 Legislature, Regular Session, 2003, provides that the  
36 Code Construction Act (Chapter 311, Government Code)

1 applies to the act. The revised law omits that  
2 provision because it duplicates Section 311.002,  
3 Government Code (Code Construction Act), applicable to  
4 the revised law. The omitted law reads:

5           Sec. 7. Chapter 311, Government  
6           Code, applies to this Act.

7           (3) Section 8(b), Chapter 885, Acts of the 78th  
8 Legislature, Regular Session, 2003, provides that the  
9 act prevails over general law in case of a conflict.  
10 The revised law omits that provision because it  
11 duplicates Section 311.026, Government Code (Code  
12 Construction Act), applicable to the revised law. The  
13 omitted law reads:

14           (b) If any provision of the general  
15 law conflicts with this Act, this Act  
16 prevails.

17 [Sections 3825.007-3825.050 reserved for expansion]

18           SUBCHAPTER B. BOARD OF DIRECTORS

19                           Revised Law

20           Sec. 3825.051. COMPOSITION; TERMS. The district is  
21 governed by a board of five elected directors. Directors serve  
22 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 885, Sec.  
23 9(a).)

24                           Source Law

25           Sec. 9. (a) The district is governed by a board  
26 of five elected directors who serve staggered terms of  
27 four years.

28                           Revised Law

29           Sec. 3825.052. QUALIFICATIONS. (a) A person must meet the  
30 qualifications of Section 375.063, Local Government Code, to serve  
31 as a district director.

32           (b) Section 49.052, Water Code, does not apply to district  
33 directors. (Acts 78th Leg., R.S., Ch. 885, Sec. 10.)

34                           Source Law

35           Sec. 10. (a) A person must meet the  
36 qualifications of Section 375.063, Local Government  
37 Code, to serve as a director of the district.

38           (b) Section 49.052, Water Code, does not apply  
39 to directors of the district.



1 Revised Law

2 Sec. 3825.053. ELECTION DATE. Elections for directors  
3 shall be held on the uniform election date in May in even-numbered  
4 years. (Acts 78th Leg., R.S., Ch. 885, Sec. 9(b).)

5 Source Law

6 (b) Elections for directors shall be held on the  
7 uniform election date in May in even-numbered years.

8 Revised Law

9 Sec. 3825.054. INITIAL DIRECTORS. (a) The initial board  
10 consists of the following persons:

11 David Flickinger

12 Julie Roberts

13 Ingelisa Keeling

14 James Warnica

15 Kim Osburn

16 (b) Of the initial directors, the terms of the first three  
17 directors named in Subsection (a) expire on June 1, 2006, and the  
18 terms of the last two directors named in Subsection (a) expire on  
19 June 1, 2004.

20 (c) On the uniform election date in May 2004, the board  
21 shall hold an election for the directors whose terms expire on June  
22 1, 2004. On the uniform election date in May 2006, the board shall  
23 hold an election for the directors whose terms expire on June 1,  
24 2006.

25 (d) This section expires September 1, 2006. (Acts 78th Leg.,  
26 R.S., Ch. 885, Sec. 19.)

27 Source Law

28 Sec. 19. (a) The initial board consists of the  
29 following persons:

30 David Flickinger

31 Julie Roberts

32 Ingelisa Keeling

33 James Warnica

34 Kim Osburn

35 (b) Of the initial directors, the terms of the  
36 first three directors named in Subsection (a) expire  
37 on June 1, 2006, and the terms of the last two  
38 directors named in Subsection (a) expire on June 1,  
39 2004.

40 (c) On the uniform election date in May 2004,  
41 the board shall hold an election for the directors  
42 whose terms expire on June 1, 2004. On the uniform

1 election date in May 2006, the board shall hold an  
2 election for the directors whose terms expire on June  
3 1, 2006.

4 (d) This section expires September 1, 2006.

5 [Sections 3825.055-3825.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Revised Law

8 Sec. 3825.101. POWERS OF DISTRICT. The district has all  
9 powers provided by the general laws on road districts and road  
10 utility districts created under Section 52, Article III, Texas  
11 Constitution, and conservation and reclamation districts and  
12 municipal management districts created under Section 59, Article  
13 XVI, Texas Constitution, including:

14 (1) Chapters 257 and 441, Transportation Code;

15 (2) Chapter 375, Local Government Code; and

16 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,  
17 R.S., Ch. 885, Sec. 11.)

18 Source Law

19 Sec. 11. The district has all powers and  
20 authority provided by the general laws on road  
21 districts and road utility districts created under  
22 Section 52, Article III, Texas Constitution, and  
23 conservation and reclamation districts and municipal  
24 management districts created under Section 59, Article  
25 XVI, Texas Constitution, including:

26 (1) Chapters 257 and 441, Transportation  
27 Code;

28 (2) Chapter 375, Local Government Code;  
29 and

30 (3) Chapters 49 and 54, Water Code.

31 Revisor's Note

32 Section 11, Chapter 885, Acts of the 78th  
33 Legislature, Regular Session, 2003, refers to "powers  
34 and authority." The revised law omits "authority"  
35 because, in this context, the meaning of "authority"  
36 is included in the meaning of "powers."

37 Revised Law

38 Sec. 3825.102. AGREEMENTS; GRANTS. (a) The district may  
39 make an agreement with or accept a gift, grant, or loan from any  
40 person.

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

1 Code. (Acts 78th Leg., R.S., Ch. 885, Sec. 12.)

2 Source Law

3 Sec. 12. (a) The district may make an agreement  
4 with or accept a gift, grant, or loan from any person.

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

8 Revised Law

9 Sec. 3825.103. LAW ENFORCEMENT SERVICES. To protect the  
10 public interest, the district may contract with a municipality or  
11 county to provide law enforcement services in the district for a  
12 fee. (Acts 78th Leg., R.S., Ch. 885, Sec. 13.)

13 Source Law

14 Sec. 13. To protect the public interest, the  
15 district may contract with a municipality or county to  
16 provide law enforcement services in the district for a  
17 fee.

18 [Sections 3825.104-3825.150 reserved for expansion]

19 SUBCHAPTER D. FINANCIAL PROVISIONS

20 Revised Law

21 Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
22 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
23 tax, assessment, or impact fee and use the proceeds of the tax,  
24 assessment, or impact fee for:

25 (1) any district purpose, including the payment of  
26 debt or other contractual obligations; or

27 (2) the payment of maintenance and operating expenses.

28 (Acts 78th Leg., R.S., Ch. 885, Sec. 14.)

29 Source Law

30 Sec. 14. The district may impose an ad valorem  
31 tax, assessment, or impact fee and use the proceeds of  
32 the tax, assessment, or impact fee for any district  
33 purpose, including the payment of debt or other  
34 contractual obligations or the payment of maintenance  
35 and operating expenses.

36 Revised Law

37 Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
38 district must hold an election in the manner provided by Chapters 49  
39 and 54, Water Code, to obtain voter approval before the district  
40 imposes a maintenance tax or issues bonds payable from ad valorem

1 taxes.

2 (b) The board may include more than one purpose in a single  
3 proposition at an election. (Acts 78th Leg., R.S., Ch. 885, Sec.  
4 15.)

5 Source Law

6 Sec. 15. (a) The district must hold an election  
7 in the manner provided by Chapters 49 and 54, Water  
8 Code, to obtain voter approval before the district may  
9 impose a maintenance tax or issue bonds payable from ad  
10 valorem taxes.

11 (b) The board may include more than one purpose  
12 in a single proposition at an election.

13 Revised Law

14 Sec. 3825.153. MAINTENANCE AND OPERATION TAX. (a) The  
15 district may impose an annual ad valorem tax on taxable property in  
16 the district for any district purpose, including to:

17 (1) maintain and operate the district and the  
18 improvements constructed or acquired by the district; or

19 (2) provide a service.

20 (b) The board shall determine the tax rate. (Acts 78th  
21 Leg., R.S., Ch. 885, Sec. 16.)

22 Source Law

23 Sec. 16. (a) The district may impose an annual  
24 ad valorem tax on taxable property in the district for  
25 any district purpose, including to:

26 (1) maintain and operate the district and  
27 the improvements constructed or acquired by the  
28 district; or

29 (2) provide a service.

30 (b) The board shall determine the tax rate.

31 Revised Law

32 Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
33 The board by resolution may impose an assessment for any purpose  
34 authorized by this chapter.

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

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

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

4           (3) are the personal liability of and a charge against  
5 the owners of the property even if the owners are not named in the  
6 assessment proceeding.

7           (c) The lien is effective from the date of the board's  
8 resolution imposing the assessment until the date the assessment is  
9 paid. The board may enforce the lien in the same manner that the  
10 board may enforce an ad valorem tax lien against real property.  
11 (Acts 78th Leg., R.S., Ch. 885, Secs. 17(a), (d), (e).)

12   Source Law

13           Sec. 17. (a) The board by resolution may impose  
14 and collect an assessment for any purpose authorized  
15 by this Act.

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

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

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

27                           (3) are the personal liability of and  
28 charge against the owners of the property even if the  
29 owners are not named in the assessment proceeding.

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

35   Revisor's Note

36           Section 17, Chapter 885, Acts of the 78th  
37 Legislature, Regular Session, 2003, provides that the  
38 board may "impose and collect" an assessment. The  
39 revised law omits the reference to the authority to  
40 collect the assessment because the authority to impose  
41 an assessment necessarily implies the authority to  
42 collect it.

43   Revised Law

44           Sec. 3825.155. PETITION REQUIRED FOR FINANCING SERVICES AND

1 IMPROVEMENTS. (a) The board may not finance a service or  
2 improvement project through an assessment under this chapter unless  
3 a written petition requesting that service or improvement has been  
4 filed with the board.

5 (b) The petition must be signed by:

6 (1) the owners of a majority of the assessed value of  
7 real property in the district that will be subject to the assessment  
8 according to the most recent certified tax appraisal roll for the  
9 county in which the property is located; or

10 (2) at least 25 owners of land in the district that  
11 will be subject to the assessment, if more than 25 persons own land  
12 in the district that will be subject to the assessment according to  
13 the most recent certified tax appraisal roll for the county in which  
14 the property is located. (Acts 78th Leg., R.S., Ch. 885, Sec.  
15 17(b).)

16 Source Law

17 (b) The board may not finance a service or  
18 improvement project through an assessment under this  
19 Act unless a written petition requesting that service  
20 or improvement has been filed with the board. The  
21 petition must be signed by:

22 (1) the owners of a majority of the  
23 assessed value of real property in the district that  
24 will be subject to the assessment, according to the  
25 most recent certified tax appraisal roll for the  
26 county in which the property is located; or

27 (2) at least 25 owners of land in the  
28 district that will be subject to the assessment, if  
29 more than 25 persons own land in the district that will  
30 be subject to the assessment, according to the most  
31 recent certified tax appraisal roll for the county in  
32 which the property is located.

33 Revised Law

34 Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
35 ASSESSMENTS. The district may not impose an impact fee or  
36 assessment on the property, including the equipment or facilities,  
37 of:

38 (1) an electric utility as defined by Section 31.002,  
39 Utilities Code;

40 (2) a gas utility as defined by Section 101.003 or  
41 121.001, Utilities Code;

42 (3) a telecommunications provider as defined by

1 Section 51.002, Utilities Code; or

2 (4) a cable operator as defined by 47 U.S.C. Section  
3 522, as amended. (Acts 78th Leg., R.S., Ch. 885, Sec. 17(c).)

4 Source Law

5 (c) The district may not impose an assessment or  
6 impact fee on the property, equipment, or facilities  
7 of an electric utility as defined by Section 31.002,  
8 Utilities Code, a gas utility as defined by Section  
9 101.003 or 121.001, Utilities Code, a  
10 telecommunications provider as defined by Section  
11 51.002, Utilities Code, or a cable operator as defined  
12 by 47 U.S.C. Section 522, as amended.

13 Revised Law

14 Sec. 3825.157. BONDS AND OTHER OBLIGATIONS. (a) The  
15 district may issue bonds or other obligations payable wholly or  
16 partly from ad valorem taxes, assessments, impact fees, revenue,  
17 grants, or other money of the district, or any combination of those  
18 sources of money, to pay for any authorized purpose of the district.

19 (b) In exercising the district's power to borrow, the  
20 district may issue a bond or other obligation in the form of a bond,  
21 note, certificate of participation or other instrument evidencing a  
22 proportionate interest in payments to be made by the district, or  
23 other type of obligation. (Acts 78th Leg., R.S., Ch. 885, Sec. 18.)

24 Source Law

25 Sec. 18. (a) The district may issue bonds or  
26 other obligations payable in whole or in part from ad  
27 valorem taxes, assessments, impact fees, revenue,  
28 grants, or other money of the district, or any  
29 combination of those sources of money, to pay for any  
30 authorized purpose of the district.

31 (b) In exercising the district's borrowing  
32 power, the district may issue a bond or other  
33 obligation in the form of a bond, note, certificate of  
34 participation or other instrument evidencing a  
35 proportionate interest in payments to be made by the  
36 district, or other type of obligation.

37 Revisor's Note  
38 (End of Chapter)

39 Section 20, Chapter 885, Acts of the 78th  
40 Legislature, Regular Session, 2003, recites  
41 legislative findings regarding procedural  
42 requirements for the creation of the district under  
43 the constitution and other laws and rules, including  
44 proper legal notice, filing of recommendations, and

1 consent by other governmental entities to the creation  
2 of the district. The revised law omits these  
3 provisions as executed. The omitted law reads:

4 Sec. 20. The legislature finds that:

5 (1) proper and legal notice of  
6 the intention to introduce this Act,  
7 setting forth the general substance of this  
8 Act, has been published as provided by law,  
9 and the notice and a copy of this Act have  
10 been furnished to all persons, agencies,  
11 officials, or entities to which they are  
12 required to be furnished by the  
13 constitution and laws of this state,  
14 including the governor, who has submitted  
15 the notice and Act to the Texas Commission  
16 on Environmental Quality;

17 (2) the Texas Commission on  
18 Environmental Quality has filed its  
19 recommendations relating to this Act with  
20 the governor, lieutenant governor, and  
21 speaker of the house of representatives  
22 within the required time;

23 (3) the general law relating to  
24 consent by political subdivisions to the  
25 creation of districts with conservation,  
26 reclamation, and road powers and the  
27 inclusion of land in those districts has  
28 been complied with; and

29 (4) all requirements of the  
30 constitution and laws of this state and the  
31 rules and procedures of the legislature  
32 with respect to the notice, introduction,  
33 and passage of this Act have been fulfilled  
34 and accomplished.

35 CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

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44 [Sections 3826.007-3826.050 reserved for expansion]

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1 [Sections 3826.055-3826.100 reserved for expansion]

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18 CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 3826.001. DEFINITIONS. In this chapter:

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

24 (2) "District" means Harris County Road Improvement  
25 District No. 2. (Acts 78th Leg., R.S., Ch. 1297, Sec. 3.)

26 Source Law

27 Sec. 3. In this Act:

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

30 (2) "District" means Harris County Road  
31 Improvement District No. 2.

32 Revised Law

33 Sec. 3826.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO.  
34 2. Harris County Road Improvement District No. 2 is a special  
35 district created under Section 52, Article III, and Section 59,  
36 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1297,

1 Sec. 1(a).)

2 Source Law

3 Sec. 1. (a) Harris County Road Improvement  
4 District No. 2 is created as a special district under  
5 Section 52, Article III, and Section 59, Article XVI,  
6 Texas Constitution.

7 Revised Law

8 Sec. 3826.003. PURPOSE; DECLARATION OF INTENT. (a) The  
9 creation of the district is essential to accomplish the purposes of  
10 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
11 Texas Constitution, and other public purposes stated in this  
12 chapter.

13 (b) The creation of the district is necessary to promote,  
14 develop, encourage, and maintain employment, commerce,  
15 transportation, housing, tourism, recreation, the arts,  
16 entertainment, economic development, safety, and the public  
17 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
18 1297, Sec. 2.)

19 Source Law

20 Sec. 2. (a) The creation of the district is  
21 necessary to promote, develop, encourage, and maintain  
22 transportation, safety, employment, commerce,  
23 housing, tourism, recreation, the arts,  
24 entertainment, economic development, and the public  
25 welfare in the area of the district.

26 (b) The creation of the district is essential to  
27 accomplish the purposes of Sections 52 and 52-a,  
28 Article III, and Section 59, Article XVI, Texas  
29 Constitution, and other public purposes stated in this  
30 Act.

31 Revised Law

32 Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
33 The district is created to serve a public use and benefit.

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

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

41 (1) further the public purposes of development and

1 diversification of the economy of the state;

2 (2) eliminate unemployment and underemployment; and

3 (3) develop or expand transportation and commerce.

4 (d) The present and prospective traffic congestion in the  
5 district and the safety of pedestrians and the limited availability  
6 of funds require the promotion and development of public  
7 transportation and pedestrian facilities and systems, and the  
8 district will serve the public purpose of securing expanded and  
9 improved transportation and pedestrian facilities and systems.

10 (e) The district will:

11 (1) promote the health, safety, and general welfare of  
12 residents, employers, employees, visitors, and consumers in the  
13 district, and of the public;

14 (2) provide needed funding to preserve, maintain, and  
15 enhance the economic health and vitality of the district as a  
16 community; and

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

21 (f) Pedestrian ways along or across a street, whether at  
22 grade or above or below the surface, and street lighting, street  
23 landscaping, and street art objects are parts of and necessary  
24 components of a street and are considered to be a street or road  
25 improvement.

26 (g) The district will not act as the agent or  
27 instrumentality of any private interest even though the district  
28 will benefit many private interests, as well as the public. (Acts  
29 78th Leg., R.S., Ch. 1297, Sec. 6.)

30 Source Law

31 Sec. 6. (a) The district is created to serve a  
32 public use and benefit.

33 (b) All land and other property included in the  
34 district will benefit from the improvements and  
35 services to be provided by the district under powers  
36 conferred by Sections 52 and 52-a, Article III, and  
37 Section 59, Article XVI, Texas Constitution, and other  
38 powers granted under this Act.

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

3 (1) further the public purposes of the  
4 development and diversification of the economy of the  
5 state;

6 (2) eliminate unemployment and  
7 underemployment; and

8 (3) develop or expand transportation and  
9 commerce.

10 (d) The present and prospective traffic  
11 congestion in the district and the safety of  
12 pedestrians and the limited availability of funds  
13 require the promotion and development of public  
14 transportation and pedestrian facilities and systems,  
15 and the district will serve the public purpose of  
16 securing expanded and improved transportation and  
17 pedestrian facilities and systems.

18 (e) The district will:

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

23 (2) provide needed funding to preserve,  
24 maintain, and enhance the economic health and vitality  
25 of the district as a community; and

26 (3) promote the health, safety, welfare,  
27 and enjoyment of the public by providing pedestrian  
28 ways and by landscaping and developing certain areas  
29 in the district, which are necessary for the  
30 restoration, preservation, and enhancement of scenic  
31 beauty.

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

38 (g) The district will not act as the agent or  
39 instrumentality of any private interest even though  
40 the district will benefit many private interests as  
41 well as the public.

42 Revised Law

43 Sec. 3826.005. DISTRICT TERRITORY. (a) The district is  
44 composed of the territory described by Section 4, Chapter 1297,  
45 Acts of the 78th Legislature, Regular Session, 2003, as that  
46 territory may have been modified under:

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

48 (2) other law.

49 (b) The boundaries and field notes of the district contained  
50 in Section 4, Chapter 1297, Acts of the 78th Legislature, Regular  
51 Session, 2003, form a closure. A mistake made in the field notes or  
52 in copying the field notes in the legislative process does not in  
53 any way affect the district's:

54 (1) organization, existence, or validity;

55 (2) right to issue any type of bond for a purpose for

1 which the district is created or to pay the principal of and  
2 interest on a bond;

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

4 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
5 1297, Sec. 5; New.)

6 Source Law

7 Sec. 5. The boundaries and field notes of the  
8 district form a closure. A mistake in the field notes  
9 or in copying the field notes in the legislative  
10 process does not in any way affect the district's:

11 (1) organization, existence, or validity;

12 (2) right to issue any type of bond for the  
13 purposes for which the district is created or to pay  
14 the principal of and interest on a bond;

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

17 (4) legality or operation.

18 Revisor's Note

19 The revision of the law governing the district  
20 does not revise the statutory language describing the  
21 territory of the district to avoid the lengthy  
22 recitation of the description and because that  
23 description may not be accurate on the effective date  
24 of the revision or at the time of a later reading. For  
25 the reader's convenience, the revised law includes a  
26 reference to the statutory description of the  
27 district's territory and references to statutory  
28 authority to change the district's territory under  
29 Subchapter J, Chapter 49, Water Code, applicable to  
30 the district under Sections 49.001 and 49.002 of that  
31 chapter and Section 3826.101 of this chapter. The  
32 revised law also includes a reference to the general  
33 authority of the legislature to enact other laws to  
34 change the district's territory.

35 Revised Law

36 Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
37 chapter shall be construed liberally in conformity with the  
38 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
39 R.S., Ch. 1297, Sec. 8(a).)

1 Source Law

2 Sec. 8. (a) This Act shall be liberally  
3 construed in conformity with the findings and purposes  
4 set forth in this Act.

5 Revisor's Note  
6 (End of Subchapter)

7 (1) Section 1(b), Chapter 1297, Acts of the 78th  
8 Legislature, Regular Session, 2003, provides that the  
9 board may change the district's name by resolution.  
10 The revised law omits the provision because it  
11 duplicates Section 375.096(d), Local Government Code.  
12 Section 11(2), Chapter 1297, Acts of the 78th  
13 Legislature, Regular Session, 2003 (revised in this  
14 chapter as Section 3826.101(2)), provides that the  
15 district has the powers provided by Chapter 375, Local  
16 Government Code. The omitted law reads:

17 (b) The board by resolution may  
18 change the district's name.

19 (2) Section 7, Chapter 1297, Acts of the 78th  
20 Legislature, Regular Session, 2003, provides that the  
21 Code Construction Act (Chapter 311, Government Code)  
22 applies to the act. The revised law omits that  
23 provision because it duplicates Section 311.002,  
24 Government Code (Code Construction Act), applicable to  
25 the revised law. The omitted law reads:

26 Sec. 7. Chapter 311, Government Code  
27 (Code Construction Act), applies to this  
28 Act.

29 (3) Section 8(b), Chapter 1297, Acts of the 78th  
30 Legislature, Regular Session, 2003, provides that the  
31 act prevails over general law in case of a conflict.  
32 The revised law omits that provision because it  
33 duplicates Section 311.026, Government Code (Code  
34 Construction Act), applicable to the revised law. The  
35 omitted law reads:

36 (b) If any provision of the general  
37 law conflicts with this Act, this Act  
38 prevails.

1 [Sections 3826.007-3826.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Revised Law

4 Sec. 3826.051. COMPOSITION; TERMS. The district is  
5 governed by a board of five elected directors. Directors serve  
6 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1297,  
7 Sec. 9(a).)

8 Source Law

9 Sec. 9. (a) The district is governed by a board  
10 of five elected directors who serve staggered terms of  
11 four years.

12 Revised Law

13 Sec. 3826.052. QUALIFICATIONS. (a) A person must meet the  
14 qualifications of Section 375.063, Local Government Code, to serve  
15 as a district director.

16 (b) Section 49.052, Water Code, does not apply to district  
17 directors. (Acts 78th Leg., R.S., Ch. 1297, Sec. 10.)

18 Source Law

19 Sec. 10. (a) A person must meet the  
20 qualifications of Section 375.063, Local Government  
21 Code, to serve as a director of the district.

22 (b) Section 49.052, Water Code, does not apply  
23 to directors of the district.

24 Revised Law

25 Sec. 3826.053. ELECTION DATE. Elections for directors  
26 shall be held on the uniform election date in May in even-numbered  
27 years. (Acts 78th Leg., R.S., Ch. 1297, Sec. 9(b).)

28 Source Law

29 (b) Elections for directors shall be held on the  
30 uniform election date in May in even-numbered years.

31 Revised Law

32 Sec. 3826.054. INITIAL DIRECTORS. (a) The initial board  
33 consists of the following persons:

34 Mike Magness

35 Andi Artze

36 Brian Crum

37 Ashlyn Tankersley

38 Adam Kramer

1 (b) Of the initial directors, the terms of the first three  
2 directors named in Subsection (a) expire on June 1, 2006, and the  
3 terms of the last two directors named in Subsection (a) expire on  
4 June 1, 2004.

5 (c) On the uniform election date in May 2004, the board  
6 shall hold an election for the directors whose terms expire on June  
7 1, 2004. On the uniform election date in May 2006, the board shall  
8 hold an election for the directors whose terms expire on June 1,  
9 2006.

10 (d) This section expires September 1, 2006. (Acts 78th  
11 Leg., R.S., Ch. 1297, Sec. 19.)

12 Source Law

13 Sec. 19. (a) The initial board consists of the  
14 following persons:

15 Mike Magness  
16 Andi Artze  
17 Brian Crum  
18 Ashlyn Tankersley  
19 Adam Kramer

20 (b) Of the initial directors, the terms of the  
21 first three directors named in Subsection (a) expire  
22 on June 1, 2006, and the terms of the last two  
23 directors named in Subsection (a) expire on June 1,  
24 2004.

25 (c) On the uniform election date in May 2004,  
26 the board shall hold an election for the directors  
27 whose terms expire on June 1, 2004. On the uniform  
28 election date in May 2006, the board shall hold an  
29 election for the directors whose terms expire on June  
30 1, 2006.

31 (d) This section expires September 1, 2006.

32 [Sections 3826.055-3826.100 reserved for expansion]

33 SUBCHAPTER C. POWERS AND DUTIES

34 Revised Law

35 Sec. 3826.101. POWERS OF DISTRICT. The district has all  
36 powers provided by the general laws on road districts and road  
37 utility districts created under Section 52, Article III, Texas  
38 Constitution, and conservation and reclamation districts and  
39 municipal management districts created under Section 59, Article  
40 XVI, Texas Constitution, including:

- 41 (1) Chapters 257 and 441, Transportation Code;  
42 (2) Chapter 375, Local Government Code; and  
43 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,



1 R.S., Ch. 1297, Sec. 11.)

2 Source Law

3 Sec. 11. The district has all powers and  
4 authority provided by the general laws on road  
5 districts and road utility districts created under  
6 Section 52, Article III, Texas Constitution, and  
7 conservation and reclamation districts and municipal  
8 management districts created under Section 59, Article  
9 XVI, Texas Constitution, including:

- 10 (1) Chapters 257 and 441, Transportation  
11 Code;  
12 (2) Chapter 375, Local Government Code;  
13 and  
14 (3) Chapters 54 and 49, Water Code.

15 Revisor's Note

16 Section 11, Chapter 1297, Acts of the 78th  
17 Legislature, Regular Session, 2003, refers to "powers  
18 and authority." The revised law omits "authority"  
19 because, in this context, the meaning of "authority"  
20 is included in the meaning of "powers."

21 Revised Law

22 Sec. 3826.102. AGREEMENTS; GRANTS. (a) The district may  
23 make an agreement with or accept a gift, grant, or loan from any  
24 person.

25 (b) The implementation of a project is a governmental  
26 function or service for the purposes of Chapter 791, Government  
27 Code. (Acts 78th Leg., R.S., Ch. 1297, Sec. 12.)

28 Source Law

29 Sec. 12. (a) The district may make an agreement  
30 with or accept a gift, grant, or loan from any person.

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

34 Revised Law

35 Sec. 3826.103. LAW ENFORCEMENT SERVICES. To protect the  
36 public interest, the district may contract with a municipality or  
37 county to provide law enforcement services in the district for a  
38 fee. (Acts 78th Leg., R.S., Ch. 1297, Sec. 13.)

39 Source Law

40 Sec. 13. To protect the public interest, the  
41 district may contract with a municipality or county to  
42 provide law enforcement services in the district for a  
43 fee.

1 [Sections 3826.104-3826.150 reserved for expansion]

2 SUBCHAPTER D. FINANCIAL PROVISIONS

3 Revised Law

4 Sec. 3826.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
5 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
6 tax, assessment, or impact fee and use the proceeds of the tax,  
7 assessment, or impact fee for:

8 (1) any district purpose, including the payment of  
9 debt or other contractual obligations; or

10 (2) the payment of maintenance and operating expenses.  
11 (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

12 Source Law

13 Sec. 14. The district may impose an ad valorem  
14 tax, assessment, or impact fee and use the proceeds of  
15 the tax, assessment, or impact fee for any district  
16 purpose, including the payment of debt or other  
17 contractual obligations, or the payment of maintenance  
18 and operating expenses. . . .

19 Revised Law

20 Sec. 3826.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
21 district must hold an election in the manner provided by Chapters 49  
22 and 54, Water Code, to obtain voter approval before the district  
23 imposes a maintenance tax or issues bonds payable from ad valorem  
24 taxes.

25 (b) The board may include more than one purpose in a single  
26 proposition at an election. (Acts 78th Leg., R.S., Ch. 1297, Sec.  
27 15.)

28 Source Law

29 Sec. 15. (a) The district must hold an election  
30 in the manner provided by Chapters 54 and 49, Water  
31 Code, to obtain voter approval before the district may  
32 impose a maintenance tax or issue bonds payable from ad  
33 valorem taxes.

34 (b) The board may include more than one purpose  
35 in a single proposition at an election.

36 Revised Law

37 Sec. 3826.153. MAINTENANCE AND OPERATION TAX. (a) The  
38 district may impose an annual ad valorem tax on taxable property in  
39 the district for any district purpose, including to:

40 (1) maintain and operate the district and the

1 improvements constructed or acquired by the district; or

2 (2) provide a service.

3 (b) The board shall determine the tax rate. (Acts 78th  
4 Leg., R.S., Ch. 1297, Sec. 16.)

5 Source Law

6 Sec. 16. (a) The district may impose an annual  
7 ad valorem tax on taxable property in the district for  
8 any district purpose, including to:

9 (1) maintain and operate the district and  
10 the improvements constructed or acquired by the  
11 district; or

12 (2) provide a service.

13 (b) The board shall determine the tax rate.

14 Revised Law

15 Sec. 3826.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
16 The board by resolution may impose an assessment for any purpose  
17 authorized by this chapter.

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

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

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

28 (3) are the personal liability of and a charge against  
29 the owners of the property even if the owners are not named in the  
30 assessment proceeding.

31 (c) The lien is effective from the date of the board's  
32 resolution imposing the assessment until the date the assessment is  
33 paid. The board may enforce the lien in the same manner that the  
34 board may enforce an ad valorem tax lien against real property.  
35 (Acts 78th Leg., R.S., Ch. 1297, Secs. 17(a), (c), (d).)

36 Source Law

37 Sec. 17. (a) The board by resolution may impose  
38 and collect an assessment for any purpose authorized  
39 by this Act.

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

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

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

12 (3) are the personal liability of and  
13 charge against the owners of the property even if the  
14 owners are not named in the assessment proceeding.

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

20 Revisor's Note

21 Section 17(a), Chapter 1297, Acts of the 78th  
22 Legislature, Regular Session, 2003, provides that the  
23 board may "impose and collect" an assessment. The  
24 revised law omits the reference to the authority to  
25 collect the assessment because the authority to impose  
26 an assessment necessarily implies the authority to  
27 collect it.

28 Revised Law

29 Sec. 3826.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
30 IMPROVEMENTS. (a) The board may not finance a service or  
31 improvement project through an assessment under this chapter unless  
32 a written petition requesting that service or improvement has been  
33 filed with the board.

34 (b) The petition must be signed by:

35 (1) the owners of a majority of the assessed value of  
36 real property in the district that will be subject to the assessment  
37 according to the most recent certified tax appraisal roll for the  
38 county in which the property is located; or

39 (2) at least 25 owners of land in the district that  
40 will be subject to the assessment, if more than 25 persons own land  
41 in the district that will be subject to the assessment according to  
42 the most recent certified tax appraisal roll for the county in which  
43 the property is located. (Acts 78th Leg., R.S., Ch. 1297, Sec.

1 17(b).)

2 Source Law

3 (b) The board may not finance a service or  
4 improvement project through an assessment under this  
5 Act unless a written petition requesting that service  
6 or improvement has been filed with the board. The  
7 petition must be signed by:

8 (1) the owners of a majority of the  
9 assessed value of real property in the district that  
10 will be subject to the assessment according to the most  
11 recent certified tax appraisal roll for the county in  
12 which the property is located; or

13 (2) at least 25 owners of land in the  
14 district that will be subject to the assessment, if  
15 more than 25 persons own land in the district that will  
16 be subject to the assessment according to the most  
17 recent certified tax appraisal roll for the county in  
18 which the property is located.

19 Revised Law

20 Sec. 3826.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
21 ASSESSMENTS. The district may not impose an impact fee or  
22 assessment on the property, including the equipment,  
23 rights-of-way, facilities, or improvements, of:

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

26 (2) a gas utility as defined by Section 101.003 or  
27 121.001, Utilities Code;

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

30 (4) a cable operator as defined by 47 U.S.C. Section  
31 522, as amended. (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

32 Source Law

33 Sec. 14. . . . The district may not impose an  
34 impact fee or assessment on the property, equipment,  
35 rights of way, facilities, or improvements of an  
36 electric utility or a power generation company as  
37 defined by Section 31.002, Utilities Code, a gas  
38 utility as defined by Section 101.003 or 121.001,  
39 Utilities Code, a telecommunications provider as  
40 defined by Section 51.002, Utilities Code, or a cable  
41 operator as defined in 47 U.S.C. Section 522, as  
42 amended.

43 Revised Law

44 Sec. 3826.157. BONDS AND OTHER OBLIGATIONS. (a) The  
45 district may issue bonds or other obligations payable wholly or  
46 partly from ad valorem taxes, assessments, impact fees, revenue,

1 grants, or other money of the district, or any combination of those  
2 sources of money, to pay for any authorized purpose of the district.

3 (b) In exercising the district's power to borrow, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation or other instrument evidencing a  
6 proportionate interest in payments to be made by the district, or  
7 other type of obligation. (Acts 78th Leg., R.S., Ch. 1297, Sec.  
8 18.)

9 Source Law

10 Sec. 18. (a) The district may issue bonds or  
11 other obligations payable in whole or in part from ad  
12 valorem taxes, assessments, impact fees, revenue,  
13 grants, or other money of the district, or any  
14 combination of those sources of money, to pay for any  
15 authorized purpose of the district.

16 (b) In exercising the district's borrowing  
17 power, the district may issue a bond or other  
18 obligation in the form of a bond, note, certificate of  
19 participation or other instrument evidencing a  
20 proportionate interest in payments to be made by the  
21 district, or other type of obligation.

22 Revisor's Note  
23 (End of Chapter)

24 Section 20, Chapter 1297, Acts of the 78th  
25 Legislature, Regular Session, 2003, recites  
26 legislative findings regarding procedural  
27 requirements for the creation of the district under  
28 the constitution and other laws and rules, including  
29 proper legal notice, filing of recommendations, and  
30 consent by other governmental entities to the creation  
31 of the district. The revised law omits these  
32 provisions as executed. The omitted law reads:

33 Sec. 20. The legislature finds that:

34 (1) proper and legal notice of  
35 the intention to introduce this Act,  
36 setting forth the general substance of this  
37 Act, has been published as provided by law,  
38 and the notice and a copy of this Act have  
39 been furnished to all persons, agencies,  
40 officials, or entities to which they are  
41 required to be furnished by the  
42 constitution and laws of this state,  
43 including the governor, who has submitted  
44 the notice and Act to the Texas Commission  
45 on Environmental Quality;

46 (2) the Texas Commission on  
47 Environmental Quality has filed its  
48 recommendations relating to this Act with

1 the governor, lieutenant governor, and  
 2 speaker of the house of representatives  
 3 within the required time;  
 4 (3) the general law relating to  
 5 consent by political subdivisions to the  
 6 creation of districts with conservation,  
 7 reclamation, and road powers and the  
 8 inclusion of land in those districts has  
 9 been complied with; and  
 10 (4) all requirements of the  
 11 constitution and laws of this state and the  
 12 rules and procedures of the legislature  
 13 with respect to the notice, introduction,  
 14 and passage of this Act have been fulfilled  
 15 and accomplished.

16 CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

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31 [Sections 3827.055-3827.100 reserved for expansion]

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9 CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Revised Law

12 Sec. 3827.001. DEFINITIONS. In this chapter:

13 (1) "Board" means the board of directors of the

14 district.

15 (2) "District" means Katy Towne Centre Development

16 District. (Acts 78th Leg., R.S., Ch. 765, Sec. 3.)

17 Source Law

18 Sec. 3. In this Act:

19 (1) "Board" means the board of directors

20 of the district.

21 (2) "District" means Katy Towne Centre

22 Development District.

23 Revised Law

24 Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT.

25 Katy Towne Centre Development District is a special district

26 created under Section 52, Article III, Section 1-g, Article VIII,

27 and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,

28 R.S., Ch. 765, Sec. 1(a).)

29 Source Law

30 Sec. 1. (a) Katy Towne Centre Development

31 District is created as a special district under

32 Section 52, Article III, Section 1-g, Article VIII,

33 and Section 59, Article XVI, Texas Constitution.

34 Revised Law

35 Sec. 3827.003. PURPOSE; DECLARATION OF INTENT. (a) The

36 creation of the district is essential to accomplish the purposes of

37 Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and

38 Section 59, Article XVI, Texas Constitution, and other public



1 purposes stated in this chapter.

2 (b) The creation of the district is necessary to promote,  
3 develop, encourage, and maintain employment, commerce,  
4 transportation, housing, tourism, recreation, the arts,  
5 entertainment, economic development, safety, and the public  
6 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
7 765, Sec. 2.)

8 Source Law

9 Sec. 2. (a) The creation of the district is  
10 necessary to promote, develop, encourage, and maintain  
11 transportation, safety, employment, commerce,  
12 housing, tourism, recreation, the arts,  
13 entertainment, economic development, and the public  
14 welfare in the area of the district.

15 (b) The creation of the district is essential to  
16 accomplish the purposes of Sections 52 and 52-a,  
17 Article III, Section 1-g, Article VIII, and Section  
18 59, Article XVI, Texas Constitution, and other public  
19 purposes stated in this Act.

20 Revised Law

21 Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
22 The district is created to serve a public use and benefit.

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

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

30 (1) further the public purposes of development and  
31 diversification of the economy of the state;

32 (2) eliminate unemployment and underemployment; and

33 (3) develop or expand transportation and commerce.

34 (d) The district will:

35 (1) promote the health, safety, and general welfare of  
36 residents, employers, employees, visitors, and consumers in the  
37 district, and of the public;

38 (2) provide needed funding to preserve, maintain, and  
39 enhance the economic health and vitality of the district as a

1 community; and

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

6 (e) Pedestrian ways along or across a street, whether at  
7 grade or above or below the surface, and street lighting, street  
8 landscaping, and street art objects are parts of and necessary  
9 components of a street and are considered to be a street or road  
10 improvement.

11 (f) The district will not act as the agent or  
12 instrumentality of any private interest even though the district  
13 will benefit many private interests, as well as the public. (Acts  
14 78th Leg., R.S., Ch. 765, Sec. 6.)

15 Source Law

16 Sec. 6. (a) The district is created to serve a  
17 public use and benefit.

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

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

26 (1) further the public purposes of the  
27 development and diversification of the economy of the  
28 state;

29 (2) eliminate unemployment and  
30 underemployment; and

31 (3) develop or expand transportation and  
32 commerce.

33 (d) The district will:

34 (1) promote the health, safety, and  
35 general welfare of residents, employers, employees,  
36 visitors, and consumers in the district and of the  
37 public;

38 (2) provide needed funding to preserve,  
39 maintain, and enhance the economic health and vitality  
40 of the district as a community; and

41 (3) promote the health, safety, welfare,  
42 and enjoyment of the public by providing pedestrian  
43 ways and by landscaping and developing certain areas  
44 in the district, which are necessary for the  
45 restoration, preservation, and enhancement of scenic  
46 beauty.

47 (e) Pedestrian ways along or across a street,  
48 whether at grade or above or below the surface, and  
49 street lighting, street landscaping, and street art  
50 objects are parts of and necessary components of a  
51 street and are considered to be a street or road  
52 improvement.

53 (f) The district will not act as the agent or

1 instrumentality of any private interest even though  
2 the district will benefit many private interests as  
3 well as the public.

4 Revised Law

5 Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT. The  
6 legislature finds that development or redevelopment in the area in  
7 the district would not occur solely through private investment in  
8 the reasonably foreseeable future and that the area in the  
9 district:

10 (1) is unproductive, underdeveloped, or blighted;

11 (2) substantially arrests and impairs the sound growth  
12 of the city of Katy because of:

13 (A) obsolete platting;

14 (B) deterioration of structures or site  
15 improvements; or

16 (C) other factors;

17 (3) retards the provision of housing accommodations;

18 (4) is an economic and social liability;

19 (5) is a menace to the public health, safety, morals,  
20 and welfare in its present condition and use; and

21 (6) is predominantly open. (Acts 78th Leg., R.S., Ch.  
22 765, Sec. 7.)

23 Source Law

24 Sec. 7. The legislature finds that development  
25 or redevelopment in the area in the district would not  
26 occur solely through private investment in the  
27 reasonably foreseeable future and that the area in the  
28 district:

29 (1) is unproductive, underdeveloped, or  
30 blighted;

31 (2) substantially arrests and impairs the  
32 sound growth of the City of Katy because of:

33 (A) obsolete platting;

34 (B) deterioration of structures or  
35 site improvements; or

36 (C) other factors;

37 (3) retards the provision of housing  
38 accommodations;

39 (4) is an economic and social liability;

40 (5) is a menace to the public health,  
41 safety, morals, and welfare in its present condition  
42 and use; and

43 (6) is predominantly open.

44 Revised Law

45 Sec. 3827.006. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 4, Chapter 765, Acts  
2 of the 78th Legislature, Regular Session, 2003, as that territory  
3 may have been modified under:

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

5 (2) other law.

6 (b) The boundaries and field notes of the district contained  
7 in Section 4, Chapter 765, Acts of the 78th Legislature, Regular  
8 Session, 2003, form a closure. A mistake made in the field notes or  
9 in copying the field notes in the legislative process does not in  
10 any way affect the district's:

11 (1) organization, existence, or validity;

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

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

16 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
17 765, Sec. 5; New.)

18 Source Law

19 Sec. 5. The boundaries and field notes of the  
20 district form a closure. A mistake in the field notes  
21 or in copying the field notes in the legislative  
22 process does not in any way affect the district's:

23 (1) organization, existence, or validity;

24 (2) right to issue any type of bond for the  
25 purposes for which the district is created or to pay  
26 the principal of and interest on a bond;

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

29 (4) legality or operation.

30 Revisor's Note

31 The revision of the law governing the district  
32 does not revise the statutory language describing the  
33 territory of the district to avoid the lengthy  
34 recitation of the description and because that  
35 description may not be accurate on the effective date  
36 of the revision or at the time of a later reading. For  
37 the reader's convenience, the revised law includes a  
38 reference to the statutory description of the  
39 district's territory and references to statutory

1 authority to change the district's territory under  
2 Subchapter J, Chapter 49, Water Code, applicable to  
3 the district under Sections 49.001 and 49.002 of that  
4 chapter and Section 3827.101 of this chapter. The  
5 revised law also includes a reference to the general  
6 authority of the legislature to enact other laws to  
7 change the district's territory.

8 Revised Law

9 Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
10 chapter shall be construed liberally in conformity with the  
11 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
12 R.S., Ch. 765, Sec. 10(a).)

13 Source Law

14 Sec. 10. (a) This Act shall be liberally  
15 construed in conformity with the findings and purposes  
16 set forth in this Act.

17 Revisor's Note  
18 (End of Subchapter)

19 (1) Section 1(b), Chapter 765, Acts of the 78th  
20 Legislature, Regular Session, 2003, provides that the  
21 board may change the district's name by resolution.  
22 The revised law omits the provision because it  
23 duplicates Section 375.096(d), Local Government Code.  
24 Section 14(2), Chapter 765, Acts of the 78th  
25 Legislature, Regular Session, 2003 (revised in this  
26 chapter as Section 3827.101(2)), provides that the  
27 district has the powers provided by Chapter 375, Local  
28 Government Code. The omitted law reads:

29 (b) The board by resolution may  
30 change the district's name.

31 (2) Section 9, Chapter 765, Acts of the 78th  
32 Legislature, Regular Session, 2003, provides that the  
33 Code Construction Act (Chapter 311, Government Code)  
34 applies to the act. The revised law omits that  
35 provision because it duplicates Section 311.002,  
36 Government Code (Code Construction Act), applicable to

1 the revised law. The omitted law reads:

2           Sec. 9. Chapter 311, Government Code  
3           (Code Construction Act), applies to this  
4           Act.

5           (3) Section 10(b), Chapter 765, Acts of the 78th  
6           Legislature, Regular Session, 2003, provides that the  
7           act prevails over general law in case of a conflict.  
8           The revised law omits that provision because it  
9           duplicates Section 311.026, Government Code (Code  
10           Construction Act), applicable to the revised law. The  
11           omitted law reads:

12                   (b) If any provision of the general  
13                   law conflicts with this Act, this Act  
14                   prevails.

15           [Sections 3827.008-3827.050 reserved for expansion]

16                   SUBCHAPTER B. BOARD OF DIRECTORS

17                           Revised Law

18           Sec. 3827.051. COMPOSITION; TERMS.       The district is  
19           governed by a board of five directors. Directors serve staggered  
20           terms of four years. (Acts 78th Leg., R.S., Ch. 765, Sec. 11.)

21                           Source Law

22                   Sec. 11. The district is governed by a board of  
23                   five directors who serve staggered terms of four  
24                   years.

25                           Revised Law

26           Sec. 3827.052. APPOINTMENT OF DIRECTORS.       (a)       The  
27           governing body of the City of Katy shall appoint directors to the  
28           board.

29                   (b) Section 375.063, Local Government Code, and Section  
30           49.052, Water Code, do not apply to district directors. (Acts 78th  
31           Leg., R.S., Ch. 765, Sec. 12.)

32                           Source Law

33                   Sec. 12. (a) The governing body of the City of  
34                   Katy shall appoint directors to the board.  
35                   (b) Sections 375.063, Local Government Code,  
36                   and 49.052, Water Code, do not apply to directors of  
37                   the district.

38                           Revised Law

39           Sec. 3827.053. VACANCIES. A vacancy on the board shall be

1 filled by the remaining directors. (Acts 78th Leg., R.S., Ch. 765,  
2 Sec. 13.)

3 Source Law

4 Sec. 13. A vacancy on the board shall be filled  
5 by the remaining directors.

6 Revised Law

7 Sec. 3827.054. INITIAL DIRECTORS. (a) The initial board  
8 consists of the following persons:

- 9 Name of Director
- 10 Ricky Burch
- 11 Ed Weisner
- 12 George Parker
- 13 Bruce Skates
- 14 Malcolm Beckendorff

15 (b) Of the initial directors, the terms of the first three  
16 directors named in Subsection (a) expire on June 1, 2006, and the  
17 terms of the last two directors named in Subsection (a) expire on  
18 June 1, 2004.

19 (c) This section expires September 1, 2006. (Acts 78th  
20 Leg., R.S., Ch. 765, Sec. 25.)

21 Source Law

22 Sec. 25. (a) The initial board consists of the  
23 following persons:

- 24 Name of Director
- 25 Ricky Burch
- 26 Ed Weisner
- 27 George Parker
- 28 Bruce Skates
- 29 Malcolm Beckendorff

30 (b) Of the initial directors, the terms of the  
31 first three directors named in Subsection (a) expire  
32 on June 1, 2006, and the terms of the last two  
33 directors named in Subsection (a) expire on June 1,  
34 2004.

35 (c) This section expires September 1, 2006.

36 [Sections 3827.055-3827.100 reserved for expansion]

37 SUBCHAPTER C. POWERS AND DUTIES

38 Revised Law

39 Sec. 3827.101. POWERS OF DISTRICT. The district has all  
40 powers provided by the general laws on road districts and road  
41 utility districts created under Section 52, Article III, Texas

1 Constitution, and conservation and reclamation districts and  
2 municipal management districts created under Section 59, Article  
3 XVI, Texas Constitution, including:

- 4 (1) Chapters 257 and 441, Transportation Code;  
5 (2) Chapter 375, Local Government Code; and  
6 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,  
7 R.S., Ch. 765, Sec. 14.)

8 Source Law

9 Sec. 14. The district has all powers and  
10 authority provided by the general laws on road  
11 districts and road utility districts created under  
12 Section 52, Article III, Texas Constitution, and  
13 conservation and reclamation districts and municipal  
14 management districts created under Section 59, Article  
15 XVI, Texas Constitution, including:

- 16 (1) Chapters 257 and 441, Transportation  
17 Code;  
18 (2) Chapter 375, Local Government Code;  
19 and  
20 (3) Chapters 49 and 54, Water Code.

21 Revisor's Note

22 Section 14, Chapter 765, Acts of the 78th  
23 Legislature, Regular Session, 2003, refers to "powers  
24 and authority." The revised law omits "authority"  
25 because, in this context, the meaning of "authority"  
26 is included in the meaning of "powers."

27 Revised Law

28 Sec. 3827.102. AGREEMENTS; GRANTS. (a) The district may  
29 make an agreement with or accept a gift, grant, or loan from any  
30 person.

31 (b) The implementation of a project is a governmental  
32 function or service for the purposes of Chapter 791, Government  
33 Code. (Acts 78th Leg., R.S., Ch. 765, Sec. 15.)

34 Source Law

35 Sec. 15. (a) The district may make an agreement  
36 with or accept a gift, grant, or loan from any person.

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

40 Revised Law

41 Sec. 3827.103. LAW ENFORCEMENT SERVICES. To protect the  
42 public interest, the district may contract with a municipality or



1 county to provide law enforcement services in the district for a  
2 fee. (Acts 78th Leg., R.S., Ch. 765, Sec. 16.)

3 Source Law

4 Sec. 16. To protect the public interest, the  
5 district may contract with a municipality or county to  
6 provide law enforcement services in the district for a  
7 fee.

8 Revised Law

9 Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS. Section  
10 375.093(c), Local Government Code, applies to the district. (Acts  
11 78th Leg., R.S., Ch. 765, Sec. 22.)

12 Source Law

13 Sec. 22. Section 375.093(c), Local Government  
14 Code, applies to the district.

15 [Sections 3827.105-3827.150 reserved for expansion]

16 SUBCHAPTER D. FINANCIAL PROVISIONS

17 Revised Law

18 Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
19 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
20 tax, assessment, or impact fee and use the proceeds of the tax,  
21 assessment, or impact fee for:

22 (1) any district purpose, including the payment of  
23 debt or other contractual obligations; or

24 (2) the payment of maintenance and operating expenses.

25 (Acts 78th Leg., R.S., Ch. 765, Sec. 17.)

26 Source Law

27 Sec. 17. The district may impose an ad valorem  
28 tax, assessment, or impact fee and use the proceeds of  
29 the tax, assessment, or impact fee for any district  
30 purpose, including the payment of debt or other  
31 contractual obligations, or the payment of maintenance  
32 and operating expenses.

33 Revised Law

34 Sec. 3827.152. TAX AND BOND ELECTIONS. (a) The district  
35 must hold an election in the manner provided by Chapters 49 and 54,  
36 Water Code, to obtain voter approval before the district imposes a  
37 maintenance tax or issues bonds payable from ad valorem taxes.

38 (b) The board may not include more than one purpose in a  
39 single proposition at an election. (Acts 78th Leg., R.S., Ch. 765,

1 Sec. 18.)

2 Source Law

3 Sec. 18. (a) The district must hold an election  
4 in the manner provided by Chapters 49 and 54, Water  
5 Code, to obtain voter approval before the district may  
6 impose a maintenance tax or issue bonds payable from ad  
7 valorem taxes.

8 (b) The board may not include more than one  
9 purpose in a single proposition at an election.

10 Revised Law

11 Sec. 3827.153. MAINTENANCE AND OPERATION TAX. (a) The  
12 district may impose an annual ad valorem tax on taxable property in  
13 the district for any district purpose, including to:

14 (1) maintain and operate the district, including  
15 improvements constructed or acquired by the district; or

16 (2) provide a service.

17 (b) The board shall determine the tax rate. (Acts 78th  
18 Leg., R.S., Ch. 765, Sec. 19.)

19 Source Law

20 Sec. 19. (a) The district may impose an annual  
21 ad valorem tax on taxable property in the district for  
22 any district purpose, including to:

23 (1) maintain and operate the district,  
24 including improvements constructed or acquired by the  
25 district; or

26 (2) provide a service.

27 (b) The board shall determine the tax rate.

28 Revised Law

29 Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
30 The board by resolution may impose an assessment for any purpose  
31 authorized by this chapter.

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

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

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

1 (3) are the personal liability of and a charge against  
2 the owners of the property even if the owners are not named in the  
3 assessment proceeding.

4 (c) The lien is effective from the date of the board's  
5 resolution imposing the assessment until the date the assessment is  
6 paid. The board may enforce the lien in the same manner that the  
7 board may enforce an ad valorem tax lien against real property.  
8 (Acts 78th Leg., R.S., Ch. 765, Secs. 20(a), (c), (d).)

9 Source Law

10 Sec. 20. (a) The board by resolution may impose  
11 and collect an assessment for any purpose authorized  
12 by this Act.

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

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

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

24 (3) are the personal liability of and  
25 charge against the owners of the property even if the  
26 owners are not named in the assessment proceeding.

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

32 Revisor's Note

33 Section 20, Chapter 765, Acts of the 78th  
34 Legislature, Regular Session, 2003, provides that the  
35 board may "impose and collect" an assessment. The  
36 revised law omits the reference to the authority to  
37 collect the assessment because the authority to impose  
38 an assessment necessarily implies the authority to  
39 collect it.

40 Revised Law

41 Sec. 3827.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
42 IMPROVEMENTS. (a) The board may not finance a service or  
43 improvement project through an assessment under this chapter unless  
44 a written petition requesting that service or improvement has been

1 filed with the board.

2 (b) The petition must be signed by:

3 (1) the owners of a majority of the assessed value of  
4 real property in the district that will be subject to the assessment  
5 according to the most recent certified tax appraisal roll for the  
6 county in which the property is located; or

7 (2) at least 25 owners of real property in the district  
8 that will be subject to the assessment, if more than 25 persons own  
9 real property in the district that will be subject to the assessment  
10 according to the most recent certified tax appraisal roll for the  
11 county in which the property is located. (Acts 78th Leg., R.S., Ch.  
12 765, Sec. 20(b).)

13 Source Law

14 (b) The board may not finance a service or  
15 improvement project through an assessment under this  
16 Act unless a written petition requesting that service  
17 or improvement has been filed with the board. The  
18 petition must be signed by:

19 (1) the owners of a majority of the  
20 assessed value of real property in the district that  
21 will be subject to the assessment according to the most  
22 recent certified tax appraisal roll for the county in  
23 which the property is located; or

24 (2) at least 25 owners of real property in  
25 the district that will be subject to the assessment, if  
26 more than 25 persons own real property in the district  
27 that will be subject to the assessment according to the  
28 most recent certified tax appraisal roll for the  
29 county in which the property is located.

30 Revised Law

31 Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
32 ASSESSMENTS. The district may not impose an impact fee or  
33 assessment on the property, including the equipment,  
34 rights-of-way, facilities, or improvements, of:

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

37 (2) a gas utility as defined by Section 101.003 or  
38 121.001, Utilities Code;

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

41 (4) a person who provides to the public cable  
42 television or advanced telecommunications services. (Acts 78th

1 Leg., R.S., Ch. 765, Sec. 21.)

2 Source Law

3 Sec. 21. The district may not impose an impact  
4 fee or assessment on the property, including  
5 equipment, rights-of-way, facilities, or  
6 improvements, of:

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

10 (2) a gas utility as defined by Section  
11 101.003 or 121.001, Utilities Code;

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

14 (4) a person who provides to the public  
15 cable television or advanced telecommunications  
16 services.

17 Revised Law

18 Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE; POWERS;  
19 ELIGIBILITY. (a) Without further authorization or procedural  
20 requirement, the district is a tax increment reinvestment zone  
21 under Chapter 311, Tax Code.

22 (b) The district has all powers provided under Chapter 311,  
23 Tax Code.

24 (c) The district and an overlapping taxing unit may enter  
25 into an interlocal agreement for the payment of all or a portion of  
26 the tax increment of the unit to the district.

27 (d) The base year value of the district, for tax increment  
28 financing purposes, is the value as of January 1, 2003, of all  
29 taxable real property in the district as shown on the certified tax  
30 rolls of the central appraisal district.

31 (e) All or any part of the area of the district is eligible  
32 to be included in a tax increment reinvestment zone created by the  
33 City of Katy under Chapter 311, Tax Code. (Acts 78th Leg., R.S.,  
34 Ch. 765, Secs. 8, 23.)

35 Source Law

36 Sec. 8. All or any part of the area of the  
37 district is eligible, regardless of other statutory  
38 criteria, to be included in a tax increment  
39 reinvestment zone created by the City of Katy under  
40 Chapter 311, Tax Code.

41 Sec. 23. (a) Without further authorization or  
42 procedural requirement and regardless of other  
43 statutory criteria, the district is a tax increment  
44 reinvestment zone under Chapter 311, Tax Code.

45 (b) The district has all powers provided under

1 Chapter 311, Tax Code.

2 (c) The district may enter into an interlocal  
3 agreement with any overlapping taxing unit for the  
4 payment of all or a portion of the tax increment of the  
5 unit to the district. The overlapping taxing unit may  
6 enter into the agreement.

7 (d) The base year value of the district, for tax  
8 increment financing purposes, is the value as of  
9 January 1, 2003, of all taxable real property in the  
10 district as shown on the certified tax rolls of the  
11 central appraisal district.

12 Revisor's Note

13 (1) Section 8, Chapter 765, Acts of the 78th  
14 Legislature, Regular Session, 2003, provides that all  
15 or part of the area of the district is "eligible,  
16 regardless of other statutory criteria," to be  
17 included in a tax increment reinvestment zone created  
18 by the City of Katy under Chapter 311, Tax Code. The  
19 revised law omits "regardless of other statutory  
20 criteria" because the eligibility of the district  
21 established under Section 8 to be included in the  
22 reinvestment zone necessarily supersedes conflicting  
23 statutory criteria previously enacted by the  
24 legislature.

25 (2) Section 23(a), Chapter 765, Acts of the 78th  
26 Legislature, Regular Session, 2003, provides that  
27 "[w]ithout further authorization or procedural  
28 requirement and regardless of other statutory  
29 criteria," the district is a tax increment  
30 reinvestment zone under Chapter 311, Tax Code. The  
31 revised law omits "regardless of other statutory  
32 criteria" because if the legislature provides that the  
33 district is a tax increment reinvestment zone under  
34 Chapter 311, Tax Code, then the district is  
35 necessarily a tax increment reinvestment zone under  
36 that chapter, regardless of other statutory criteria.

37 Revised Law

38 Sec. 3827.158. BONDS AND OTHER OBLIGATIONS. (a) The  
39 district may issue bonds or other obligations payable wholly or  
40 partly from ad valorem taxes, assessments, impact fees, revenue,

1 grants, or other money of the district, or any combination of those  
2 sources of money, to pay for any authorized purpose of the district.

3 (b) In exercising the district's power to borrow, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation or other instrument evidencing a  
6 proportionate interest in payments to be made by the district, or  
7 other type of obligation. (Acts 78th Leg., R.S., Ch. 765, Sec. 24.)

8 Source Law

9 Sec. 24. (a) The district may issue bonds or  
10 other obligations payable in whole or in part from ad  
11 valorem taxes, assessments, impact fees, revenue,  
12 grants, or other money of the district, or any  
13 combination of those sources of money, to pay for any  
14 authorized purpose of the district.

15 (b) In exercising the district's borrowing  
16 power, the district may issue a bond or other  
17 obligation in the form of a bond, note, certificate of  
18 participation or other instrument evidencing a  
19 proportionate interest in payments to be made by the  
20 district, or other type of obligation.

21 Revisor's Note  
22 (End of Chapter)

23 Section 26, Chapter 765, Acts of the 78th  
24 Legislature, Regular Session, 2003, recites  
25 legislative findings regarding procedural  
26 requirements for the creation of the district under  
27 the constitution and other laws and rules, including  
28 proper legal notice, filing of recommendations, and  
29 consent by other governmental entities to the creation  
30 of the district. The revised law omits these  
31 provisions as executed. The omitted law reads:

32 Sec. 26. The legislature finds that:

33 (1) proper and legal notice of  
34 the intention to introduce this Act,  
35 setting forth the general substance of this  
36 Act, has been published as provided by law,  
37 and the notice and a copy of this Act have  
38 been furnished to all persons, agencies,  
39 officials, or entities to which they are  
40 required to be furnished by the  
41 constitution and laws of this state,  
42 including the governor, who has submitted  
43 the notice and Act to the Texas Commission  
44 on Environmental Quality;

45 (2) the Texas Commission on  
46 Environmental Quality has filed its  
47 recommendations relating to this Act with  
48 the governor, lieutenant governor, and  
49 speaker of the house of representatives

1 within the required time;  
 2 (3) the general law relating to  
 3 consent by political subdivisions to the  
 4 creation of districts with conservation,  
 5 reclamation, and road powers and the  
 6 inclusion of land in those districts has  
 7 been complied with; and  
 8 (4) all requirements of the  
 9 constitution and laws of this state and the  
 10 rules and procedures of the legislature  
 11 with respect to the notice, introduction,  
 12 and passage of this Act have been fulfilled  
 13 and accomplished.

14 CHAPTER 3828. LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT  
 15 IN HENDERSON COUNTY

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1 CHAPTER 3828. LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

2 IN HENDERSON COUNTY

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 3828.001. DEFINITIONS. In this chapter:

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

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

10 (3) "District" means the Lake View Management and  
11 Development District.

12 (4) "Improvement project" means a program or project  
13 authorized by Section 3828.102, inside or outside the boundaries of  
14 the district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 2.)

15 Source Law

16 Sec. 2. In this Act:

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

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

21 (3) "District" means the Lake View  
22 Management and Development District.

23 (4) "Improvement project" means a program  
24 or project authorized by Section 15 of this Act, inside  
25 or outside the boundaries of the district.

26 Revised Law

27 Sec. 3828.002. CREATION AND NATURE OF DISTRICT. (a) The  
28 Lake View Management and Development District is a special district  
29 created under Section 59, Article XVI, Texas Constitution.

30 (b) The board by resolution may change the district's name.  
31 The board shall give written notice of the change to the commission.

32 (c) The district is a governmental unit for the purposes of  
33 Chapter 101, Civil Practice and Remedies Code, and operations of  
34 the district are considered to be essential governmental functions  
35 and not proprietary functions for all purposes, including the  
36 application of that chapter. (Acts 78th Leg., R.S., Ch. 1292, Sec.  
37 1.)

38 Source Law

39 Sec. 1. (a) The Lake View Management and

1 Development District is created as a special district  
2 under Section 59, Article XVI, Texas Constitution.

3 (b) The board by resolution may change the  
4 district's name. The board shall give written notice  
5 of the change to the commission.

6 (c) The district is a unit of government for the  
7 purposes of Chapter 101, Civil Practice and Remedies  
8 Code, and operations of the district are considered to  
9 be essential governmental functions and not  
10 proprietary functions for all purposes, including the  
11 application of that chapter.

12 Revised Law

13 Sec. 3828.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
14 creation of the district is essential to accomplish the purposes of  
15 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
16 Texas Constitution, and other public purposes stated in this  
17 chapter.

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

23 (c) The creation of the district:

24 (1) is essential to the conservation and beneficial  
25 use of the water, land, including soil, and other natural resources  
26 in or adjacent to the district;

27 (2) is essential to further the public purposes of:

28 (A) economic development and diversification of  
29 the state;

30 (B) elimination of unemployment and  
31 underemployment; and

32 (C) stimulation and development of  
33 transportation and commerce;

34 (3) will promote the health, safety, and general  
35 welfare of residents, employers, employees, and consumers in the  
36 district and in Henderson County and of the public; and

37 (4) is in the public interest.

38 (d) The district's operations and the district's  
39 improvement projects will enable the district to preserve,  
40 maintain, and enhance the economic health and vitality of the area

1 in the district as a community, residential, recreational,  
2 business, and commerce center.

3 (e) The district will promote the health, safety, welfare,  
4 education, convenience, and enjoyment of the public by:

5 (1) improving, landscaping, and developing certain  
6 areas in and adjacent to the district; and

7 (2) providing public services and facilities in and  
8 adjacent to the district that are necessary for the restoration,  
9 preservation, enhancement, and enjoyment of scenic beauty. (Acts  
10 78th Leg., R.S., Ch. 1292, Sec. 5.)

#### 11 Source Law

12 Sec. 5. (a) The legislature finds that all of  
13 the land and other property included in the district  
14 will benefit from the improvement projects and  
15 services to be accomplished by the district under  
16 powers conferred by Sections 52 and 52a, Article III,  
17 and Section 59, Article XVI, Texas Constitution, and  
18 the other powers granted under this Act, and the  
19 creation of the district is essential to accomplish  
20 the purposes of those provisions and to accomplish the  
21 other public purposes stated in this Act.

22 (b) The legislature further finds that the  
23 creation of the district:

24 (1) is essential to the conservation and  
25 beneficial use of the water, land, soil, and other  
26 natural resources in or adjacent to the district;

27 (2) is essential to further the public  
28 purposes of the economic development and  
29 diversification of the state, the elimination of  
30 unemployment and underemployment, and the stimulation  
31 and development of transportation and commerce;

32 (3) will promote the health, safety, and  
33 general welfare of residents, employers, employees,  
34 and consumers in the district and in Henderson County  
35 and of the public; and

36 (4) is in the public interest.

37 (c) The district's operations and the district's  
38 improvement projects will enable the district to  
39 preserve, maintain, and enhance the economic health  
40 and vitality of the area in the district as a  
41 community, residential, recreational, business, and  
42 commerce center. The district will further promote  
43 the health, safety, welfare, education, convenience,  
44 and enjoyment of the public by improving, landscaping,  
45 and developing certain areas in and adjacent to the  
46 district and providing public services and facilities  
47 in and adjacent to the district that are necessary for  
48 the restoration, preservation, enhancement, and  
49 enjoyment of scenic beauty.

#### 50 Revised Law

51 Sec. 3828.004. DISTRICT TERRITORY. (a) The district is  
52 composed of the territory described by Section 3, Chapter 1292,  
53 Acts of the 78th Legislature, Regular Session, 2003, as that

1 territory may have been modified under:

2 (1) Section 3828.105 or its predecessor statute,  
3 former Section 18, Chapter 1292, Acts of the 78th Legislature,  
4 Regular Session, 2003; or

5 (2) other law.

6 (b) The boundaries of the district form a closure. A  
7 mistake in the name or spelling of a party to a deed or to the page  
8 or volume where filed in the deed records of Henderson County, or in  
9 the name of a survey or abstract, does not affect:

10 (1) the district's organization, existence, or  
11 validity;

12 (2) the district's right to enter into any type of  
13 contract for the purposes for which the district is created;

14 (3) the district's right to impose, assess, or collect  
15 taxes, fees, or charges; or

16 (4) the operation of the board or the district. (Acts  
17 78th Leg., R.S., Ch. 1292, Sec. 4; New.)

18 Source Law

19 Sec. 4. The boundaries of the district form a  
20 closure. A mistake in the name or spelling of a party  
21 to a deed or to the page or volume where filed in the  
22 deed records of Henderson County, or in the name of a  
23 survey or abstract, does not affect:

24 (1) the district's organization,  
25 existence, or validity;

26 (2) the district's right to enter into any  
27 type of contract for the purposes for which the  
28 district is created;

29 (3) the district's right to impose,  
30 assess, or collect taxes, fees, or charges; or

31 (4) the operation of the board or the  
32 district.

33 Revisor's Note

34 The revision of the law governing the district  
35 does not revise the statutory language describing the  
36 territory of the district to avoid the lengthy  
37 recitation of the description and because that  
38 description may not be accurate on the effective date  
39 of the revision or at the time of a later reading. For  
40 the reader's convenience, the revised law includes a  
41 reference to the statutory description of the

1 district's territory and references to statutory  
2 authority to change the district's territory under  
3 Section 18, Chapter 1292, Acts of the 78th  
4 Legislature, Regular Session, 2003 (revised in this  
5 chapter as Section 3828.105). The revised law also  
6 includes a reference to the general authority of the  
7 legislature to enact other laws to change the  
8 district's territory.

9 Revised Law

10 Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER. This  
11 chapter shall be construed liberally in conformity with the  
12 findings and purposes stated in this chapter. (Acts 78th Leg.,  
13 R.S., Ch. 1292, Sec. 6(a).)

14 Source Law

15 Sec. 6. (a) This Act shall be liberally  
16 construed in conformity with the findings and purposes  
17 stated in this Act.

18 Revisor's Note

19 Section 6(b), Chapter 1292, Acts of the 78th  
20 Legislature, Regular Session, 2003, provides that the  
21 Code Construction Act (Chapter 311, Government Code)  
22 applies to the act. The revised law omits that  
23 provision because it duplicates Section 311.002,  
24 Government Code (Code Construction Act), applicable to  
25 the revised law. The omitted law reads:

26 (b) Chapter 311, Government Code,  
27 applies to this Act.

28 Revisor's Note  
29 (End of Subchapter)

30 Section 7(b), Chapter 1292, Acts of the 78th  
31 Legislature, Regular Session, 2003, provides that the  
32 act prevails over general law in case of a conflict.  
33 The revised law omits that provision because it  
34 duplicates Section 311.026, Government Code (Code  
35 Construction Act), applicable to the revised law. The  
36 omitted law reads:

1 (b) A provision of this Act prevails  
2 over a provision of the general law that is  
3 in conflict or inconsistent with this Act.

4 [Sections 3828.006-3828.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Revised Law

7 Sec. 3828.051. COMPOSITION; TERMS. (a) The district is  
8 governed by a board of five directors who serve staggered terms of  
9 four years.

10 (b) The board shall hold an election on the uniform election  
11 day in February of each even-numbered year to elect the appropriate  
12 number of directors.

13 (c) The board shall hold the first election under this  
14 section in 2010. This subsection expires September 1, 2012. (Acts  
15 78th Leg., R.S., Ch. 1292, Secs. 8(a) (part), (d) (part).)

16 Source Law

17 (a) . . . the district is governed by a board of  
18 five directors who serve staggered terms of four  
19 years.

20 (d) Starting in 2010, the board shall hold an  
21 election on the uniform election day in February of an  
22 even-numbered year to elect directors . . . .

23 Revised Law

24 Sec. 3828.052. ELIGIBILITY. To be qualified to serve as a  
25 director, a person must be at least 18 years of age and:

26 (1) reside in the district;

27 (2) own real property in the district;

28 (3) own at least 10 percent of the outstanding  
29 interest of a corporation or general or limited partnership that  
30 owns real property in the district; or

31 (4) be an agent, employee, officer, or director of a  
32 corporation, limited liability company, or partnership that owns  
33 real property in the district. (Acts 78th Leg., R.S., Ch. 1292,  
34 Sec. 8(e) (part).)

35 Source Law

36 (e) . . . to be qualified to serve as a director  
37 a person must be at least 18 years of age and:

38 (1) reside in the district;

39 (2) own real property in the district;

40 (3) own at least 10 percent of the

1 outstanding interest of a corporation or general or  
2 limited partnership that owns real property in the  
3 district; or

4 (4) be an agent, employee, officer, or  
5 director of a corporation, limited liability company,  
6 or partnership that owns real property in the  
7 district.

8 Revised Law

9 Sec. 3828.053. VACANCY. The remaining directors shall fill  
10 a vacancy on the board by appointing a person who meets the  
11 qualifications prescribed by Section 3828.052. (Acts 78th Leg.,  
12 R.S., Ch. 1292, Sec. 9.)

13 Source Law

14 Sec. 9. A vacancy on the board shall be filled  
15 by appointment by the remaining members of the board of  
16 a person who meets the qualifications under Section  
17 8(e) of this Act.

18 Revised Law

19 Sec. 3828.054. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a)  
20 As soon as practicable after a director is elected or appointed, the  
21 director shall execute a bond for \$10,000 payable to the district  
22 and conditioned on the faithful performance of the director's  
23 duties.

24 (b) The bond must be approved by the board.

25 (c) The bond and constitutional oath or affirmation of  
26 office shall be filed with the district and the district shall  
27 retain the bond and oath or affirmation in the district records.

28 (d) The district shall pay the cost of the bond. (Acts 78th  
29 Leg., R.S., Ch. 1292, Secs. 10(a), (c), (d).)

30 Source Law

31 Sec. 10. (a) As soon as practicable after a  
32 director is elected or appointed, the director shall  
33 execute a bond for \$10,000 payable to the district and  
34 conditioned on the faithful performance of the  
35 director's duties. The bond must be approved by the  
36 board.

37 (c) The bond and oath shall be filed with the  
38 district and the district shall retain the bond and  
39 oath in its records.

40 (d) The district shall pay the cost of a bond  
41 executed under Subsection (a) of this section.

42 Revisor's Note

43 Section 10(b), Chapter 1292, Acts of the 78th  
44 Legislature, Regular Session, 2003, requires each



1 member of the board to take the constitutional oath of  
2 office. The revised law omits this provision as  
3 unnecessary because Section 1, Article XVI, Texas  
4 Constitution, requires all officers to take the oath  
5 or affirmation before assuming office. In addition,  
6 the revised law includes a reference to an  
7 "affirmation" of office because Section 1, Article  
8 XVI, Texas Constitution, refers to an oath or  
9 affirmation. The revised law is drafted to conform to  
10 the constitutional requirement. The omitted law  
11 reads:

12 (b) Each director shall take the oath  
13 of office prescribed by the constitution  
14 for public office.

15 Revised Law

16 Sec. 3828.055. OFFICERS. The board shall elect from among  
17 the directors a presiding officer, a vice presiding officer, and a  
18 secretary. (Acts 78th Leg., R.S., Ch. 1292, Sec. 11.)

19 Source Law

20 Sec. 11. The board shall elect a chair, a vice  
21 chair, and a secretary from its members.

22 Revisor's Note

23 Section 11, Chapter 1292, Acts of the 78th  
24 Legislature, Regular Session, 2003, refers to the  
25 "chair" and "vice chair" of the district board. The  
26 revised law substitutes "presiding officer" and "vice  
27 presiding officer" for those terms because, in  
28 context, the terms have the same meaning and  
29 "presiding officer" and "vice presiding officer" are  
30 more commonly used.

31 Revised Law

32 Sec. 3828.056. COMPENSATION. A director is not entitled to  
33 compensation for service on the board but is entitled to  
34 reimbursement for necessary and reasonable expenses incurred in  
35 carrying out the duties and responsibilities of a director. (Acts  
36 78th Leg., R.S., Ch. 1292, Sec. 12.)

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Source Law

Sec. 12. A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Revised Law

Sec. 3828.057. INITIAL DIRECTORS. (a) The following directors serve until March 1, 2008:

- (1) Position One: Murray Holland
- (2) Position Two: Scott Griffith
- (3) Position Three: Thomas Corcoran
- (4) Position Four: David Jaderlund
- (5) Position Five: Robert Whitman

(b) The board shall hold an election to elect all directors on the uniform election day in February 2008. Persons elected to Positions One and Two serve terms expiring March 1, 2010. Persons elected to Positions Three, Four and Five serve terms expiring March 1, 2012.

(c) The board shall hold an election in 2010 and 2012 in accordance with Section 3828.051(b) to elect directors to fill the positions the terms of which expire on March 1 of those years.

(d) Sections 3828.051(a) and 3828.052 do not apply to initial directors.

(e) This section expires September 1, 2012. (Acts 78th Leg., R.S., Ch. 1292, Secs. 8(a) (part), (b), (c), (d), (e) (part).)

Source Law

Sec. 8. (a) Except as provided by Subsections (b) and (c) of this section, . . . .

(b) The following directors serve until March 1, 2008:

- (1) Position One: Murray Holland
- (2) Position Two: Scott Griffith
- (3) Position Three: Thomas Corcoran
- (4) Position Four: David Jaderlund
- (5) Position Five: Robert Whitman

(c) The board shall hold an election to elect all directors on the uniform election day in February 2008. Persons elected to Positions One and Two serve terms expiring March 1, 2010. Persons elected to Positions Three, Four, and Five serve terms expiring March 1, 2012.

(d) Starting in 2010, the board shall hold an election on the uniform election day in February of an even-numbered year to elect directors to fill the

1 positions the terms of which expire on March 1 of that  
2 year.

3 (e) Other than a director listed in Subsection  
4 (b) of this section, . . . .

5 Revised Law

6 Sec. 3828.058. DISTRICT CONFIRMATION ELECTION. (a) As  
7 soon as practicable after all initial directors have qualified for  
8 office, the initial directors shall hold an organizational meeting  
9 and call a confirmation election to be held not later than the  
10 second uniform election date occurring after the date of the  
11 organizational meeting.

12 (b) The confirmation election to confirm the establishment  
13 of the district shall be called and held in the manner provided by  
14 Subchapter D, Chapter 49, Water Code. If a majority of the votes  
15 cast at a confirmation election do not favor the creation of the  
16 district, the board may call subsequent elections, but may not call  
17 another confirmation election sooner than six months after the date  
18 of the previous election.

19 (c) Before the district is confirmed at an election, the  
20 district may carry on business as the board may determine except  
21 that the district may not borrow money or impose or assess a tax or  
22 an assessment. (Acts 78th Leg., R.S., Ch. 1292, Sec. 14.)

23 Source Law

24 Sec. 14. (a) As soon as practicable after all  
25 initial directors have qualified for office, the  
26 initial directors shall hold an organizational meeting  
27 and call a confirmation election to be held not later  
28 than the second uniform election date occurring after  
29 the date of the organizational meeting.

30 (b) The confirmation election shall be called  
31 and held to confirm the establishment of the district  
32 in the manner provided by Subchapter D, Chapter 49,  
33 Water Code. If a majority of the votes cast at a  
34 confirmation election do not favor the creation of the  
35 district, the board may call succeeding elections on a  
36 uniform election date, but may not call another  
37 confirmation election sooner than six months after the  
38 date of the previous election.

39 (c) Before the district is confirmed at an  
40 election, the district may carry on any business as the  
41 board may determine except that the district may not  
42 borrow money or impose or assess a tax or an  
43 assessment.

44 Revisor's Note

45 Section 14(b), Chapter 1292, Acts of the 78th  
46 Legislature, Regular Session, 2003, allows the board

1 to call a subsequent district confirmation "on a  
2 uniform election date" if the district is not created  
3 at a district confirmation election. The revised law  
4 omits the quoted language because it duplicates  
5 Section 41.001, Election Code, which requires all  
6 elections to be held on a uniform election date.

7 Revisor's Note  
8 (End of Subchapter)

9 (1) Section 13, Chapter 1292, Acts of the 78th  
10 Legislature, Regular Session, 2003, provides that  
11 three members of the board, which is a majority of the  
12 full membership of the board, constitute a quorum. The  
13 revised law omits that provision as duplicative of  
14 general law. Section 311.013, Government Code (Code  
15 Construction Act), applicable to the revised law,  
16 provides that a majority of a board or commission  
17 constitutes a quorum. Additionally, Section 49.053,  
18 Water Code, applicable to the district under Sections  
19 49.001 and 49.002, Water Code, provides that a  
20 majority of a board constitutes a quorum. The omitted  
21 law reads:

22 Sec. 13. Three directors are a  
23 quorum. . . .

24 (2) Section 13, Chapter 1292, Acts of the 78th  
25 Legislature, Regular Session, 2003, provides that,  
26 when a quorum is present, a concurrence of a majority  
27 of those present is required to take an official action  
28 of the district. The revised law omits the provision  
29 as unnecessary because, under common law, the majority  
30 of the members of a body present at a meeting may act  
31 for the body if at least a quorum is present. The  
32 omitted law reads:

33 Sec. 13. . . . A concurrence of a  
34 majority of a quorum of the board shall be  
35 required for any official action of the  
36 district.

1 [Sections 3828.059-3828.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 3828.101. GENERAL POWERS AND DUTIES. The district has  
5 the powers and duties provided by:

6 (1) the general laws relating to conservation and  
7 reclamation districts created under Section 59, Article XVI, Texas  
8 Constitution, including Chapters 49 and 54, Water Code, except that  
9 the district's bonds and other securities are not subject to the  
10 jurisdiction or supervision of the commission under Chapter 49,  
11 Water Code, or other law;

12 (2) the general laws relating to road districts and  
13 road utility districts created under Section 52(b), Article III,  
14 Texas Constitution, including Chapter 441, Transportation Code;

15 (3) Chapter 372, Local Government Code, in the same  
16 manner as a municipality or a county;

17 (4) Chapter 375, Local Government Code; and

18 (5) Section 4B, Development Corporation Act of 1979  
19 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 78th Leg.,  
20 R.S., Ch. 1292, Sec. 7(a).)

21 Source Law

22 Sec. 7. (a) The district has all of the powers  
23 and duties provided by the following:

24 (1) the general laws relating to  
25 conservation and reclamation districts created under  
26 Section 59, Article XVI, Texas Constitution, including  
27 Chapters 49 and 54, Water Code, except that the  
28 district's bonds and other securities are not subject  
29 to the jurisdiction or supervision of the commission  
30 under Chapter 49, Water Code, or other law;

31 (2) the general laws relating to road  
32 districts and road utility districts created under  
33 Section 52(b), Article III, Texas Constitution,  
34 including Chapter 441, Transportation Code;

35 (3) Chapter 372, Local Government Code, in  
36 the same manner as a municipality or a county;

37 (4) Chapter 375, Local Government Code;  
38 and

39 (5) Section 4B, Development Corporation  
40 Act of 1979 (Article 5190.6, Vernon's Texas Civil  
41 Statutes).

42 Revised Law

43 Sec. 3828.102. IMPROVEMENT PROJECTS. The district may  
44 provide, or it may enter into contracts with a governmental or

1 private entity to provide, the following types of improvement  
2 projects or activities in support of or incidental to those  
3 projects:

4 (1) a retail or wholesale water treatment, supply, and  
5 distribution facility or system to provide potable and nonpotable  
6 water to the residents and businesses of the district, including a  
7 wastewater and sewerage collection and treatment facility or  
8 system, provided that treated effluent water resulting from a  
9 sewerage treatment facility operated by or in the district may be  
10 used by the district for irrigation in the district;

11 (2) septic tank maintenance services inside or outside  
12 the district and solid waste disposal services if the board  
13 determines the action to be necessary and appropriate to protect  
14 the district;

15 (3) a macadamized, graveled, or paved road, street, or  
16 turnpike, inside and outside the district to the extent authorized  
17 by Section 52, Article III, Texas Constitution;

18 (4) the planning, design, construction, improvement,  
19 and maintenance of:

20 (A) landscaping;

21 (B) highway right-of-way or transit corridor  
22 beautification and improvement;

23 (C) lighting, banners, and signs;

24 (D) a street or sidewalk;

25 (E) a hiking and cycling path or trail;

26 (F) a pedestrian walkway, skywalk, crosswalk, or  
27 tunnel;

28 (G) a park, lake, garden, recreational facility,  
29 sports facility, open space, scenic area, or related exhibit or  
30 preserve;

31 (H) a fountain, plaza, or pedestrian mall; or

32 (I) a drainage or storm-water detention  
33 improvement;

34 (5) protection and improvement of the quality of storm

1 water that flows through the district;

2 (6) the planning, design, construction, improvement,  
3 maintenance, and operation of:

4 (A) a solid waste, water, sewer, or power  
5 facility or service, including an electrical, gas, steam, or  
6 chilled water facility; or

7 (B) an off-street parking facility or heliport;

8 (7) the planning and acquisition of:

9 (A) public art and sculpture and related exhibits  
10 and facilities; or

11 (B) an educational and cultural exhibit or  
12 facility;

13 (8) the planning, design, construction, acquisition,  
14 lease, rental, improvement, maintenance, installation, and  
15 management of and provision of furnishings for a facility for:

16 (A) a conference, convention, or exhibition;

17 (B) a manufacturer, consumer, or trade show;

18 (C) a civic, community, or institutional event;

19 or

20 (D) an exhibit, display, attraction, special  
21 event, or seasonal or cultural celebration or holiday;

22 (9) the removal, razing, demolition, or clearing of  
23 land or improvements in connection with an improvement project;

24 (10) the acquisition and improvement of land or other  
25 property for the mitigation of the environmental effects of an  
26 improvement project;

27 (11) the acquisition of property or an interest in  
28 property in connection with an authorized improvement project;

29 (12) a special or supplemental service for the  
30 improvement and promotion of the district or an area adjacent to the  
31 district or for the protection of public health and safety in or  
32 adjacent to the district, including:

33 (A) advertising;

34 (B) promotion;

- 1 (C) tourism;  
2 (D) health and sanitation;  
3 (E) public safety;  
4 (F) security;  
5 (G) fire protection or emergency medical  
6 services;  
7 (H) business recruitment;  
8 (I) development;  
9 (J) elimination of traffic congestion; and  
10 (K) recreational, educational, or cultural  
11 improvements, enhancements, and services; or  
12 (13) any similar public improvement, facility, or  
13 service. (Acts 78th Leg., R.S., Ch. 1292, Sec. 15.)

14 Source Law

15 Sec. 15. The district may provide, or it may  
16 enter into contracts with a governmental or private  
17 entity to provide, the following types of improvement  
18 projects or activities in support of or incidental to  
19 those projects:

20 (1) retail or wholesale water treatment,  
21 supply, and distribution facilities and systems to  
22 provide potable and nonpotable water to the residents  
23 and businesses of the district, including wastewater  
24 and sewerage collection and treatment facilities and  
25 systems, provided that treated effluent water  
26 resulting from any sewerage treatment facilities  
27 operated by or in the district may be used by the  
28 district for irrigation in the district;

29 (2) the provision of septic tank  
30 maintenance services inside or outside the district  
31 and of solid waste disposal services if the board  
32 determines the action to be necessary and appropriate  
33 to protect the district;

34 (3) macadamized, graveled, or paved roads,  
35 streets, and turnpikes, inside and outside the  
36 district to the extent authorized by Section 52,  
37 Article III, Texas Constitution;

38 (4) the planning, design, construction,  
39 improvement, and maintenance of:

40 (A) landscaping;

41 (B) highway right-of-way or transit  
42 corridor beautification and improvements;

43 (C) lighting, banners, and signs;

44 (D) streets or sidewalks;

45 (E) hiking and cycling paths and  
46 trails, pedestrian walkways, skywalks, crosswalks, or  
47 tunnels;

48 (F) parks, lakes, gardens,  
49 recreational and sports facilities, open space, scenic  
50 areas, and related exhibits and preserves;

51 (G) fountains, plazas, and  
52 pedestrian malls; and

53 (H) drainage or storm-water  
54 detention improvements;



1 (5) protection and improvement of the  
2 quality of storm water that flows through the  
3 district;

4 (6) the planning, design, construction,  
5 improvement, maintenance, and operation of:

6 (A) solid waste, water, sewer, or  
7 power facilities or services, including electrical,  
8 gas, steam, and chilled water facilities; or

9 (B) off-street parking facilities  
10 and heliports;

11 (7) the planning and acquisition of:

12 (A) public art and sculpture and  
13 related exhibits and facilities; and

14 (B) educational and cultural  
15 exhibits and facilities;

16 (8) the planning, design, construction,  
17 acquisition, lease, rental, improvement, maintenance,  
18 installation, and management of and provision of  
19 furnishings for facilities for:

20 (A) conferences, conventions, or  
21 exhibitions;

22 (B) manufacturer, consumer, or trade  
23 shows;

24 (C) civic, community, or  
25 institutional events; and

26 (D) exhibits, displays, attractions,  
27 special events, and seasonal or cultural celebrations  
28 and holidays;

29 (9) the removal, razing, demolition, or  
30 clearing of land or improvements in connection with  
31 any improvement project;

32 (10) the acquisition and improvement of  
33 land and other property for the mitigation of the  
34 environmental effects of any improvement project;

35 (11) the acquisition of property or an  
36 interest in property in connection with an authorized  
37 improvement project;

38 (12) any special or supplemental services  
39 for the improvement and promotion of the district or  
40 the areas adjacent to the district or for the  
41 protection of public health and safety within or  
42 adjacent to the district, including advertising,  
43 promotion, tourism, health and sanitation, public  
44 safety, security, fire protection or emergency medical  
45 services, business recruitment, development,  
46 elimination of traffic congestion, and recreational,  
47 educational, or cultural improvements, enhancements,  
48 and services; and

49 (13) any similar public improvements,  
50 facilities, or services.

51 Revised Law

52 Sec. 3828.103. GENERAL POWERS REGARDING CONTRACTS. (a)

53 The district may:

54 (1) enter into a contract with any person to  
55 accomplish any district purpose, including a contract for:

56 (A) the payment, repayment, or reimbursement of  
57 costs incurred by that person on behalf of the district, including  
58 all or part of the costs of an improvement project and interest on  
59 the reimbursed cost; or

1 (B) the use, occupancy, lease, rental,  
2 operation, maintenance, or management of all or part of a proposed  
3 or existing improvement project; and

4 (2) apply for and contract with any person to receive,  
5 administer, and perform a duty or obligation of the district under a  
6 federal, state, local, or private gift, grant, loan, conveyance,  
7 transfer, bequest, or other financial assistance arrangement  
8 relating to the investigation, planning, analysis, study, design,  
9 acquisition, construction, improvement, completion,  
10 implementation, or operation by the district or others of a  
11 proposed or existing improvement project.

12 (b) A contract the district enters into to carry out a  
13 purpose of this chapter may be on any terms and for any period the  
14 board determines.

15 (c) Any person may contract with the district to carry out  
16 the purposes of this chapter without further statutory or other  
17 authorization. (Acts 78th Leg., R.S., Ch. 1292, Secs. 16(a)  
18 (part), (b), (c).)

19 Source Law

20 (a) The district may:

21 . . .  
22 (6) enter into a contract with any person  
23 for the accomplishment of any district purpose,  
24 including a contract for:

25 (A) the payment, repayment, or  
26 reimbursement of costs incurred by that person on  
27 behalf of the district, including all or part of the  
28 costs of an improvement project and interest on the  
29 reimbursed cost; or

30 (B) the use, occupancy, lease,  
31 rental, operation, maintenance, or management of all  
32 or part of a proposed or existing improvement project;

33 (7) apply for and contract with any person  
34 to receive, administer, and perform any duty or  
35 obligation of the district under a federal, state,  
36 local, or private gift, grant, loan, conveyance,  
37 transfer, bequest, donation, or other financial  
38 assistance arrangement relating to the investigation,  
39 planning, analysis, study, design, acquisition,  
40 construction, improvement, completion,  
41 implementation, or operation by the district or others  
42 of a proposed or existing improvement project;

43 . . .  
44 (b) A contract the district enters into to carry  
45 out a purpose of this Act may be on any terms and for  
46 any period as the board may determine.

47 (c) A state agency, a municipality, Henderson  
48 County, any other political subdivision, a  
49 corporation, an individual, or any other entity may

1 contract with the district to carry out the purposes of  
2 this Act without any further statutory or other  
3 authorization.

4 Revisor's Note

5 (1) Section 16(a)(7), Chapter 1292, Acts of the  
6 78th Legislature, Regular Session, 2003, refers to a  
7 "gift" or "donation" given to the district. The  
8 revised law omits "donation" because "donation" is  
9 included in the meaning of "gift."

10 (2) Section 16(c), Chapter 1292, Acts of the  
11 78th Legislature, Regular Session, 2003, allows a  
12 "state agency, a municipality, Henderson County, any  
13 other political subdivision, a corporation, an  
14 individual, or any other entity" to contract with the  
15 district. The revised law substitutes "person" for  
16 the quoted language because the terms in the quoted  
17 language are included in the definition of "person"  
18 under Section 311.005, Government Code (Code  
19 Construction Act). That definition applies to the  
20 revised law.

21 Revised Law

22 Sec. 3828.104. RULES. The district may adopt rules:

23 (1) to administer or operate the district;

24 (2) for the use, enjoyment, availability, protection,  
25 security, and maintenance of the district's properties and  
26 facilities; or

27 (3) to provide for public safety and security in the  
28 district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 17.)

29 Source Law

30 Sec. 17. The district may adopt rules:

31 (1) to administer or operate the district;

32 (2) for the use, enjoyment, availability,  
33 protection, security, and maintenance of the  
34 district's properties and facilities; or

35 (3) to provide for public safety and  
36 security in the district.

37 Revised Law

38 Sec. 3828.105. ADDITION OR REMOVAL OF TERRITORY. The board  
39 may add, delete, or exclude territory in the manner provided by

1 Subchapter J, Chapter 49, Water Code, as limited by Section 54.016,  
2 Water Code, except that:

3 (1) for purposes of this section, a reference in  
4 Subchapter J, Chapter 49, Water Code, or Section 54.016, Water  
5 Code, to a tax means an ad valorem tax;

6 (2) Section 54.016, Water Code, and Section 42.042,  
7 Local Government Code, do not apply to the district's annexation of  
8 land restricted primarily to commercial or business use;

9 (3) land may not be added or annexed to the district  
10 without the consent of the owners of the land; and

11 (4) land may not be removed or disannexed from the  
12 district at any time during which any bonds or other obligations of  
13 the district that are payable, wholly or partly, from ad valorem  
14 taxes are outstanding. (Acts 78th Leg., R.S., Ch. 1292, Sec. 18.)

15 Source Law

16 Sec. 18. The board may add, delete, or exclude  
17 territory in the manner provided by Subchapter J,  
18 Chapter 49, Water Code, as limited by Section 54.016,  
19 Water Code, except that:

20 (1) for purposes of this section, a  
21 reference in Subchapter J, Chapter 49, Water Code, or  
22 Section 54.016, Water Code, to a tax means an ad  
23 valorem tax;

24 (2) Section 54.016, Water Code, and  
25 Section 42.042, Local Government Code, do not apply to  
26 the district's annexation of land restricted primarily  
27 to commercial or business use;

28 (3) land may not be added or annexed to the  
29 district without the consent of the owners of the land;  
30 and

31 (4) land may not be removed or disannexed  
32 from the district at any time during which any bonds or  
33 other obligations of the district that are payable, in  
34 whole or in part, from ad valorem taxes are  
35 outstanding.

36 Revised Law

37 Sec. 3828.106. EMINENT DOMAIN. (a) The district may  
38 exercise the power of eminent domain inside district boundaries for  
39 any public purpose.

40 (b) The district may exercise the power of eminent domain  
41 outside district boundaries only to construct, acquire, operate,  
42 repair, or maintain a water supply line or sanitary sewer line.

43 (c) The district's power of eminent domain must be exercised  
44 in the manner provided by Chapter 21, Property Code. (Acts 78th

1 Leg., R.S., Ch. 1292, Sec. 19.)

2 Source Law

3 Sec. 19. (a) Within the boundaries of the  
4 district, the district may exercise the power of  
5 eminent domain for all public purposes.

6 (b) Outside the boundaries of the district, the  
7 district may exercise the power of eminent domain only  
8 for the purpose of constructing, acquiring, operating,  
9 repairing, or maintaining water supply lines or  
10 sanitary sewer lines.

11 (c) The district's power of eminent domain is  
12 exercised in the same manner as required for a county.

13 Revisor's Note

14 Section 19(c), Chapter 1292, Acts of the 78th  
15 Legislature, Regular Session, 2003, provides that the  
16 district must exercise the power of eminent domain "in  
17 the same manner as required for a county." The revised  
18 law substitutes a reference to Chapter 21, Property  
19 Code, for the quoted language because it is the general  
20 law governing eminent domain and applies to all  
21 political subdivisions that have eminent domain  
22 authority, including counties.

23 Revised Law

24 Sec. 3828.107. NONPROFIT CORPORATION. (a) The board by  
25 resolution may authorize the incorporation of a nonprofit  
26 corporation to assist and act for the district in implementing an  
27 improvement project or providing a service authorized by this  
28 chapter.

29 (b) The nonprofit corporation:

30 (1) has each power of and is considered for purposes of  
31 this chapter to be a local government corporation created under  
32 Subchapter D, Chapter 431, Transportation Code; and

33 (2) may implement any improvement project and provide  
34 any service authorized by this chapter and approved by the board.

35 (c) The board shall appoint the board of directors of the  
36 nonprofit corporation. The board of directors of the nonprofit  
37 corporation shall serve in the same manner, for the same term, and  
38 on the same conditions as a board of directors of a local government  
39 corporation created under Subchapter D, Chapter 431,

1 Transportation Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 20.)

2 Source Law

3 Sec. 20. (a) The district, by board resolution,  
4 may authorize the incorporation of a nonprofit  
5 corporation to assist and act for the district in  
6 implementing an improvement project or providing  
7 services authorized by this Act.

8 (b) The board shall appoint the board of  
9 directors of a nonprofit corporation created under  
10 this section. The board of directors of the nonprofit  
11 corporation shall serve in the same manner as, for the  
12 same term as, and on the same conditions as a board of  
13 directors of a local government corporation created  
14 under Subchapter D, Chapter 431, Transportation Code.

15 (c) A nonprofit corporation created under this  
16 section:

17 (1) has each power of and is considered for  
18 purposes of this Act to be a local government  
19 corporation created under Subchapter D, Chapter 431,  
20 Transportation Code; and

21 (2) may implement an improvement project  
22 and provide a service authorized by this Act and  
23 approved by the board.

24 Revised Law

25 Sec. 3828.108. ECONOMIC DEVELOPMENT. The district may  
26 create economic development programs and exercise the economic  
27 development powers that:

28 (1) Chapter 380, Local Government Code, provides to a  
29 municipality with a population of more than 100,000; and

30 (2) Chapter 1509, Government Code, provides to any  
31 municipality. (Acts 78th Leg., R.S., Ch. 1292, Sec. 21.)

32 Source Law

33 Sec. 21. The district may create economic  
34 development programs and exercise the economic  
35 development powers and authority that Chapter 380,  
36 Local Government Code, provides to a municipality with  
37 a population of more than 100,000, and Chapter 1509,  
38 Government Code, provides to any municipality.

39 Revisor's Note

40 Section 21, Chapter 1292, Acts of the 78th  
41 Legislature, Regular Session, 2003, refers to the  
42 district's economic development "powers and  
43 authority." The revised law omits "authority" because  
44 "authority" is included in the meaning of "powers."

45 Revised Law

46 Sec. 3828.109. TERMS OF EMPLOYMENT; COMPENSATION. The  
47 board may employ and establish the terms of employment and

1 compensation of an executive director or general manager and any  
2 other district employees the board considers necessary. (Acts 78th  
3 Leg., R.S., Ch. 1292, Sec. 22.)

4 Source Law

5 Sec. 22. The board may employ and establish the  
6 terms of employment and compensation of an executive  
7 director or general manager and any other employees of  
8 the district the board considers necessary.

9 Revised Law

10 Sec. 3828.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF  
11 THE DISTRICT. (a) The board by rule may regulate the private use  
12 of a public roadway, open space, park, sidewalk, or similar public  
13 area in the district. To the extent the district rules conflict  
14 with a rule, order, or regulation of Henderson County or the Tarrant  
15 Regional Water District, the rule, order, or regulation of the  
16 county or Tarrant Regional Water District controls. A rule may  
17 provide for the safe and orderly use of public roadways, open  
18 spaces, parks, sidewalks, and similar public areas or facilities.

19 (b) The board may require a permit for a parade,  
20 demonstration, celebration, entertainment event, or similar  
21 nongovernmental activity in or on a public roadway, open space,  
22 park, sidewalk, or similar public area or facility. The board may  
23 charge a fee for the permit application or for public safety or  
24 security services in an amount the board considers necessary.

25 (c) The board may require a permit or franchise agreement  
26 with a vendor, concessionaire, exhibitor, or similar private or  
27 commercial person or organization for the limited use of the area or  
28 facility on terms and on payment of a permit or franchise fee the  
29 board may impose. (Acts 78th Leg., R.S., Ch. 1292, Sec. 23.)

30 Source Law

31 Sec. 23. (a) The board by rule may regulate the  
32 private use of public roadways, open spaces, parks,  
33 sidewalks, and similar public areas in the district.  
34 To the extent the rules of the district conflict with a  
35 rule, order, or regulation of Henderson County or the  
36 Tarrant Regional Water District, the rule, order, or  
37 regulation of the county or Tarrant Regional Water  
38 District controls. The rules may provide for the safe  
39 and orderly use of public roadways, open spaces,  
40 parks, sidewalks, and similar public areas or  
41 facilities.

1 (b) The board may require a permit for a parade,  
2 demonstration, celebration, entertainment event, or a  
3 similar nongovernmental activity in or on the public  
4 roadways, open spaces, parks, sidewalks, and similar  
5 public areas or facilities. The board may charge a fee  
6 for the permit application and for public safety or  
7 security services in an amount the board considers  
8 necessary.

9 (c) The board may require a permit or franchise  
10 agreement with a vendor, concessionaire, exhibitor, or  
11 similar private or commercial person or organization  
12 for the limited use of the area or facilities on terms  
13 and on payment of a permit or franchise fee the board  
14 may impose.

15 Revised Law

16 Sec. 3828.111. ZONING BY COUNTY. (a) If requested by the  
17 district to exercise zoning powers, Henderson County may exercise,  
18 solely in the district boundaries, the zoning powers granted to  
19 counties in Subchapter E, Chapter 231, Local Government Code,  
20 without holding the election required by Section 231.075 of that  
21 code.

22 (b) If the county exercises zoning powers, the board shall  
23 exercise and perform the powers, duties, and functions of a lake  
24 planning commission under Section 231.077, Local Government Code.

25 (c) This section does not apply to land or facilities owned  
26 by the Tarrant Regional Water District. (Acts 78th Leg., R.S., Ch.  
27 1292, Sec. 24.)

28 Source Law

29 Sec. 24. (a) If requested by the district to  
30 exercise zoning powers, Henderson County may exercise,  
31 solely in the boundaries of the district, the zoning  
32 powers granted to counties in Subchapter E, Chapter  
33 231, Local Government Code, without holding the  
34 election required by Section 231.075.

35 (b) If the county exercises zoning powers, the  
36 board shall exercise and perform the powers, duties,  
37 and functions of a lake planning commission under  
38 Section 231.077, Local Government Code.

39 (c) This section does not apply to land or  
40 facilities owned by the Tarrant Regional Water  
41 District.

42 [Sections 3828.112-3828.150 reserved for expansion]

43 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

44 Revised Law

45 Sec. 3828.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.

46 The district may:

47 (1) impose an ad valorem tax in accordance with



1 Chapter 375, Local Government Code, on all taxable property in the  
2 district;

3 (2) impose an assessment or impact fee in the manner  
4 provided for a municipality or county under Chapter 372, Local  
5 Government Code, on all industrial, commercial, and residential  
6 property in the district;

7 (3) impose and apply the proceeds from a sales and use  
8 tax, and a hotel occupancy tax, as authorized by this chapter;

9 (4) impose a rate, fee, or charge for the use of an  
10 improvement project or the consumption of a product resulting from  
11 an improvement project;

12 (5) borrow money for a district purpose by issuing or  
13 executing bonds, notes, credit agreements, or other obligations of  
14 any kind found by the board to be necessary or appropriate for the  
15 district purpose;

16 (6) establish, revise, repeal, enforce, collect, and  
17 apply the proceeds from a user fee or charge for the enjoyment,  
18 sale, rental, or other use of a district facility, service,  
19 property, or improvement project;

20 (7) provide or secure the payment or repayment of the  
21 costs and expenses of the establishment, administration, and  
22 operation of the district and the district's costs or share of the  
23 costs of an improvement project or district contractual obligation  
24 or indebtedness by or through a lease, installment purchase  
25 contract, or other agreement with any person, or the imposition of  
26 taxes, user fees, concessions, rentals, or other revenues or  
27 resources of the district;

28 (8) establish user charges related to the operation of  
29 various public services, including public water supply services,  
30 for the collection and treatment of wastewater, and for the  
31 operation of storm-water facilities, including the regulation of  
32 storm water for the protection of water quality in the district, and  
33 for the provision of septic tank maintenance services inside and  
34 outside the district;

1           (9) undertake separately or jointly with other persons  
2 all or part of the cost of an improvement project, including an  
3 improvement project:

4           (A) for improving, enhancing, and supporting  
5 public safety and security, fire protection and emergency medical  
6 services, and law enforcement in and adjacent to the district; or

7           (B) that confers a general benefit on the entire  
8 district or a special benefit on a definable part of the district;  
9 and

10          (10) enter into a tax abatement agreement in  
11 accordance with the general laws of this state authorizing and  
12 applicable to tax abatement agreements by municipalities. (Acts  
13 78th Leg., R.S., Ch. 1292, Sec. 16(a) (part).)

14                         Source Law

15           Sec. 16. (a) The district may:

16                         (1) impose an ad valorem tax in accordance  
17 with Chapter 375, Local Government Code, on all  
18 taxable property in the district;

19                         (2) impose an assessment or impact fee in  
20 the manner provided for a municipality or county under  
21 Chapter 372, Local Government Code, on all industrial,  
22 commercial, and residential property in the district;

23                         (3) impose, assess, and apply the proceeds  
24 from a limited sales and use tax, and a hotel occupancy  
25 tax, as authorized by this Act;

26                         (4) impose rates, fees, and charges for  
27 the use of any improvement project or the consumption  
28 of a product resulting from an improvement project;

29                         (5) borrow money for district purposes by  
30 issuing or executing bonds, notes, credit agreements,  
31 or other obligations of any kind found by the board to  
32 be necessary or appropriate for district purposes;  
33

34                         (6) establish, revise, repeal, enforce,  
35 collect, and apply the proceeds from user fees or  
36 charges for the enjoyment, sale, rental, or other use  
37 of the district's facilities, services, properties, or  
38 improvement projects;

39                         (7) provide or secure the payment or  
40 repayment of the costs and expenses of the  
41 establishment, administration, and operation of the  
42 district and the district's costs or share of the costs  
43 of an improvement project or district contractual  
44 obligation or indebtedness by or through a lease,  
45 installment purchase contract, or other agreement with  
46 any person, or the imposition of taxes, user fees,  
47 concessions, rentals, or other revenues or resources  
48 of the district;

49                         (8) establish user charges related to the  
50 operation of various public services, including public  
51 water supply services, for the collection and  
52 treatment of wastewater, and for the operation of  
53 storm-water facilities, including the regulation of  
54 storm water for the protection of water quality in the

1 district, and for the provision of septic tank  
2 maintenance services inside and outside the district;

3 (11) undertake separately or jointly with  
4 other persons all or part of the cost of an improvement  
5 project, including an improvement project:

6 (A) for improving, enhancing, and  
7 supporting public safety and security, fire protection  
8 and emergency medical services, and law enforcement in  
9 and adjacent to the district; or

10 (B) that confers a general benefit on  
11 the entire district or a special benefit on a definable  
12 part of the district; and

13 (12) enter into tax abatement agreements  
14 in accordance with the general laws of the state  
15 authorizing and applicable to tax abatement agreements  
16 by municipalities.

17 Revisor's Note

18 Section 16(a)(3), Chapter 1292, Acts of the 78th  
19 Legislature, Regular Session, 2003, authorizes the  
20 district to "impose" and "assess" certain taxes.  
21 Other provisions revised in this chapter refer to the  
22 "imposition," "assessment," and "collection" of taxes  
23 and the authority of the district to "impose" and  
24 "collect" taxes. Throughout this chapter, the revised  
25 law omits "assess," "assessment," "collect," and  
26 "collection" when used with "impose" or "imposition"  
27 because "impose" includes the assessment and  
28 collection of a tax and is more commonly used.

29 Revised Law

30 Sec. 3828.152. IMPACT FEES AND ASSESSMENTS;  
31 EXEMPTION. (a) The district may impose an impact fee or  
32 assessment, including an impact fee or assessment on residential  
33 property, only in the manner provided by Chapter 372, Local  
34 Government Code, for a municipality, county, or public improvement  
35 district, according to the benefit received by the property.

36 (b) An impact fee for residential property must be for the  
37 limited purpose of providing capital funding for:

38 (1) public water and wastewater facilities;

39 (2) drainage and storm-water facilities; and

40 (3) streets and alleys.

41 (c) The district may not impose an impact fee or assessment  
42 on the property, including equipment and facilities, of a public

1 utility provider or a cable operator as defined by 47 U.S.C. Section  
2 522, as amended. (Acts 78th Leg., R.S., Ch. 1292, Sec. 25.)

3 Source Law

4 Sec. 25. (a) The district may only impose  
5 impact fees and assessments in the manner provided by  
6 Chapter 372, Local Government Code, for a  
7 municipality, county, or public improvement district,  
8 according to benefits received by the property,  
9 including an impact fee or assessment on residential  
10 property.

11 (b) An impact fee for residential property must  
12 be for the limited purposes of providing capital  
13 funding for public water and wastewater facilities,  
14 for drainage and storm-water facilities, and for  
15 streets and alleys.

16 (c) The district may not impose an impact fee or  
17 assessment on the property, equipment, or facilities  
18 of a public utility provider or a cable operator as  
19 defined by 47 U.S.C. Section 522, as amended.

20 Revised Law

21 Sec. 3828.153. MAINTENANCE AND OPERATION TAX;  
22 ELECTION. (a) The district may impose a tax for maintenance and  
23 operation purposes, including for funds for:

24 (1) planning, constructing, acquiring, maintaining,  
25 repairing, and operating all necessary land, plants, works,  
26 facilities, improvements, appliances, and equipment of the  
27 district; and

28 (2) paying costs of services, engineering and legal  
29 fees, and organization and administrative expenses.

30 (b) The district may not impose a maintenance and operation  
31 tax unless the tax is approved by a majority of the voters voting at  
32 an election held for that purpose. If the tax is approved, the  
33 board may have the tax assessed and collected in the same manner as  
34 other district ad valorem taxes.

35 (c) A maintenance and operation tax election may be held at  
36 the same time and in conjunction with any other district election.  
37 The election may be called by a separate election order or as part  
38 of any other election order.

39 (d) The proposition in a maintenance and operation tax  
40 election may be for a specific maximum rate or for an unlimited  
41 rate. (Acts 78th Leg., R.S., Ch. 1292, Secs. 26(a)-(d).)

1 Source Law

2 Sec 26. (a) The district may impose a tax for  
3 operation and maintenance purposes, including for  
4 funds for planning, constructing, acquiring,  
5 maintaining, repairing, and operating all necessary  
6 land, plants, works, facilities, improvements,  
7 appliances, and equipment of the district and for  
8 paying costs of services, engineering and legal fees,  
9 and organization and administrative expenses.

10 (b) An operation and maintenance tax may not be  
11 imposed until it is approved by the qualified voters in  
12 the district voting at an election held for that  
13 purpose. If a majority of the votes cast at the  
14 election approve the imposition of the tax, the board  
15 may impose the tax and have it assessed and collected  
16 in the same manner as other district taxes.

17 (c) An operation and maintenance tax election  
18 may be held at the same time and in conjunction with  
19 any other district election. The election may be  
20 called by a separate election order or as part of any  
21 other election order.

22 (d) The proposition in an operation and  
23 maintenance tax election may be for a specific maximum  
24 rate or for an unlimited rate.

25 Revisor's Note

26 (1) Section 26(b), Chapter 1292, Acts of the  
27 78th Legislature, Regular Session, 2003, authorizes  
28 the district to impose a maintenance and operation tax  
29 if the tax is approved by "qualified voters" in the  
30 district. The revised law omits "qualified voters"  
31 because Chapter 11, Election Code, governs eligibility  
32 to vote in an election in this state and allows only  
33 votes cast by "qualified voters" who are residents of  
34 the territory covered by the election to vote in an  
35 election.

36 (2) Section 26(b), Chapter 1292, Acts of the  
37 78th Legislature, Regular Session, 2003, permits the  
38 board to assess and collect a maintenance and  
39 operation tax "in the same manner as other district  
40 taxes." The revised law specifies that the  
41 maintenance and operation tax may be assessed and  
42 collected in the same manner as other district ad  
43 valorem taxes rather than as for all other district  
44 taxes because, in the context of this section on  
45 maintenance and operation taxes, it is clear that the

1 legislature did not intend to allow the district to  
2 assess and collect that tax in the same manner as all  
3 other district taxes, such as the sales and use tax and  
4 the hotel occupancy tax. Instead, a maintenance and  
5 operation tax is a type of ad valorem tax, governed by  
6 Title 1, Tax Code (Property Tax Code).

7 Revised Law

8 Sec. 3828.154. USE OF SURPLUS MAINTENANCE AND OPERATION  
9 MONEY. If the district has surplus maintenance and operation tax  
10 money that is not needed for the purposes for which it was  
11 collected, the money may be used for any authorized purpose. (Acts  
12 78th Leg., R.S., Ch. 1292, Sec. 26(e).)

13 Source Law

14 (e) If the district has surplus operation or  
15 maintenance tax funds that are not needed for the  
16 purposes for which they were collected, the funds may  
17 be used for any authorized purpose.

18 Revised Law

19 Sec. 3828.155. BONDS AND OTHER OBLIGATIONS. (a) The  
20 district may issue bonds in the manner provided by Subchapter J,  
21 Chapter 375, Local Government Code, except that Sections 375.207  
22 and 375.208 do not apply to bonds issued under this chapter.

23 (b) In addition to the sources of money described by  
24 Subchapter J, Chapter 375, Local Government Code, the bonds of the  
25 district may be secured and made payable, wholly or partly, by a  
26 pledge of any part of the net proceeds the district receives from  
27 the sales and use tax and the hotel occupancy tax authorized by this  
28 chapter and from any other district revenues. (Acts 78th Leg.,  
29 R.S., Ch. 1292, Sec. 31.)

30 Source Law

31 Sec. 31. (a) The district may issue bonds in  
32 the manner provided by Subchapter J, Chapter 375,  
33 Local Government Code, except that Sections 375.207  
34 and 375.208 do not apply to bonds issued under this  
35 Act.

36 (b) In addition to the sources of money  
37 described by Subchapter J, Chapter 375, Local  
38 Government Code, the bonds of the district may be  
39 secured and made payable, wholly or partly, by a pledge  
40 of any part of the net proceeds the district receives  
41 from the sales and use tax and the hotel occupancy tax

1 authorized by this Act and from any other district  
2 revenues.

3 Revised Law

4 Sec. 3828.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a)  
5 At the time bonds or other obligations payable wholly or partly from  
6 ad valorem taxes are issued:

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

10 (2) the district annually shall impose an ad valorem  
11 tax on all taxable property in the district in an amount sufficient  
12 to:

13 (A) pay the interest on the bonds or other  
14 obligations as the interest becomes due;

15 (B) create a sinking fund for the payment of the  
16 principal of the bonds or other obligations when due or the  
17 redemption price at any earlier required redemption date; and

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

19 (b) Bonds or other obligations that are secured by and  
20 payable from ad valorem taxes may not be issued unless the bonds and  
21 the imposition of the taxes are approved by a majority of the voters  
22 in the district voting at an election held for that purpose.

23 (c) The district shall hold an election required by this  
24 section in the manner provided by Subchapter L, Chapter 375, Local  
25 Government Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 27.)

26 Source Law

27 Sec. 27. (a) At the time bonds or other  
28 obligations payable in whole or in part from ad valorem  
29 taxes are issued:

30 (1) the board shall impose a continuing  
31 direct annual ad valorem tax, without limit as to rate  
32 or amount, for each year while all or part of the bonds  
33 are outstanding; and

34 (2) the district shall annually assess and  
35 collect an ad valorem tax on all taxable property in  
36 the district in an amount sufficient to:

37 (A) pay the interest on the bonds or  
38 other obligations as it becomes due;

39 (B) create a sinking fund for the  
40 payment of the principal of the bonds or other  
41 obligations when due or the redemption price at any  
42 earlier required redemption date; and

43 (C) pay the expenses of assessing and  
44 collecting the taxes.

1 (b) Bonds or other obligations that are secured  
2 by and payable from ad valorem taxes may not be issued  
3 unless the bonds and the imposition of the taxes are  
4 approved by a majority of the voters in the district  
5 voting at an election held for that purpose.

6 (c) The district shall conduct an election  
7 required by this section in the manner provided by  
8 Subchapter L, Chapter 375, Local Government Code.

9 Revised Law

10 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE  
11 PROVISIONS. Sections 26.04, 26.05, and 26.07, Tax Code, do not  
12 apply to a tax imposed under Section 3828.153 or 3828.156. (Acts  
13 78th Leg., R.S., Ch. 1292, Sec. 26(f).)

14 Source Law

15 (f) Sections 26.04, 26.05, and 26.07, Tax Code,  
16 do not apply to a tax levied and collected under this  
17 section or an ad valorem tax levied and collected for  
18 the payment of the interest on and principal of bonds  
19 issued by the district.

20 Revised Law

21 Sec. 3828.158. HOTEL OCCUPANCY TAX. (a) In this section,  
22 "hotel" has the meaning assigned by Section 156.001, Tax Code.

23 (b) For purposes of this section, a reference in Subchapter  
24 A, Chapter 352, Tax Code, to a county is a reference to the district  
25 and a reference in Subchapter A, Chapter 352, Tax Code, to the  
26 county's officers or governing body is a reference to the board.

27 (c) Except as inconsistent with this section, Subchapter A,  
28 Chapter 352, Tax Code, governs a hotel occupancy tax authorized by  
29 this section, including the collection of the tax, subject to the  
30 limitations prescribed by Sections 352.002(b) and (c), Tax Code.

31 (d) The board by order may impose, repeal, increase, or  
32 decrease the rate of a tax on a person who, under a lease,  
33 concession, permit, right of access, license, contract, or  
34 agreement, pays for the use or possession or for the right to the  
35 use or possession of a room that:

36 (1) is in a hotel located in the district's boundaries;

37 (2) costs \$2 or more each day; and

38 (3) is ordinarily used for sleeping.

39 (e) The amount of the tax may not exceed seven percent of the  
40 price paid for a room in a hotel.



1 (f) The district may examine and receive information  
2 related to the imposition of hotel occupancy taxes to the same  
3 extent as if the district were a municipality. (Acts 78th Leg.,  
4 R.S., Ch. 1292, Sec. 29.)

5 Source Law

6 Sec. 29. (a) In this section, "hotel" has the  
7 meaning assigned by Section 156.001, Tax Code.

8 (b) The board by order may impose, repeal, or  
9 increase or decrease the rate of a tax on a person who,  
10 under a lease, concession, permit, right of access,  
11 license, contract, or agreement, pays for the use or  
12 possession or for the right to use or possess a room  
13 that is in a hotel located in the boundaries of the  
14 district, costs \$2 or more each day, and is ordinarily  
15 used for sleeping. The amount of the tax may not  
16 exceed seven percent of the price paid for a room in a  
17 hotel.

18 (c) Except as inconsistent with this section,  
19 Subchapter A, Chapter 352, Tax Code, governs a hotel  
20 occupancy tax authorized under this section, including  
21 the collection of the tax, subject to the limitations  
22 prescribed by Sections 352.002(b) and (c), Tax Code.

23 (d) The district may examine and receive  
24 information related to the imposition, assessment, and  
25 collection of hotel occupancy taxes to the same extent  
26 as if the district were a municipality.

27 (e) For purposes of this section, a reference in  
28 Subchapter A, Chapter 352, Tax Code, to a county is a  
29 reference to the district and a reference in  
30 Subchapter A, Chapter 352, Tax Code, to the county's  
31 officers or governing body is a reference to the board.

32 Revised Law

33 Sec. 3828.159. USE OF HOTEL OCCUPANCY TAX. (a) The  
34 district may use the proceeds from a hotel occupancy tax imposed  
35 under Section 3828.158 for any of the district's purposes and for  
36 the purposes described by Section 352.1015, Tax Code, to the extent  
37 the board considers appropriate.

38 (b) During each interval of three calendar years following  
39 the date on which a hotel occupancy tax imposed under Section  
40 3828.158 is initially collected, the board may not apply an annual  
41 average of more than 10 percent of the amount of tax collected under  
42 that section, excluding any interest earnings or investment profits  
43 and after a deduction for the costs of imposing and collecting the  
44 taxes, for the administrative expenses of the district or a  
45 district purpose other than:

46 (1) the costs of advertising and promoting tourism; or

47 (2) the costs of business development and commerce,

1 including the costs of planning, designing, constructing,  
2 acquiring, leasing, financing, owning, operating, maintaining,  
3 managing, improving, repairing, rehabilitating, or reconstructing  
4 improvement projects for:

5 (A) conferences, conventions, and exhibitions;

6 (B) manufacturer, consumer, or trade shows; and

7 (C) civic, community, or institutional events.

8 (c) For purposes of this section, a reference in Subchapter  
9 B, Chapter 352, Tax Code, to a county is a reference to the district  
10 and a reference in Subchapter B, Chapter 352, Tax Code, to the  
11 county's officers or governing body is a reference to the board.  
12 (Acts 78th Leg., R.S., Ch. 1292, Sec. 30.)

13 Source Law

14 Sec. 30. (a) The district shall apply the  
15 proceeds from a hotel occupancy tax imposed under this  
16 Act for any of the district's purposes and for the  
17 purposes described by Section 352.1015, Tax Code, to  
18 the extent considered appropriate by the board.

19 (b) During each interval of three calendar years  
20 following the date on which a hotel occupancy tax  
21 imposed under this section is initially collected, the  
22 board may not apply an annual average of more than 10  
23 percent of the amount of tax collected under Section 29  
24 of this Act, excluding any interest earnings or  
25 investment profits and after a deduction for the costs  
26 of imposing and collecting the taxes, for the  
27 administrative expenses of the district or a district  
28 purpose other than:

29 (1) the costs of advertising and promoting  
30 tourism; or

31 (2) the costs of business development and  
32 commerce, including the costs of planning, designing,  
33 constructing, acquiring, leasing, financing, owning,  
34 operating, maintaining, managing, improving,  
35 repairing, rehabilitating, or reconstructing  
36 improvement projects for conferences, conventions,  
37 and exhibitions, manufacturer, consumer, or trade  
38 shows, and civic, community, or institutional events.

39 (c) For purposes of this section, a reference in  
40 Subchapter B, Chapter 352, Tax Code, to a county is a  
41 reference to the district and a reference in  
42 Subchapter B, Chapter 352, Tax Code, to the county's  
43 officers or governing body is a reference to the board.

44 [Sections 3828.160-3828.200 reserved for expansion]

45 SUBCHAPTER E. SALES AND USE TAX

46 Revised Law

47 Sec. 3828.201. MEANINGS OF WORDS AND PHRASES. Words and  
48 phrases used in this subchapter that are defined by Chapters 151 and  
49 321, Tax Code, have the meanings assigned by Chapters 151 and 321,

1 Tax Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(a).)

2 Source Law

3 Sec. 28. (a) Words and phrases used in this  
4 section that are defined by Chapters 151 and 321, Tax  
5 Code, have the meanings assigned by Chapters 151 and  
6 321, Tax Code.

7 Revised Law

8 Sec. 3828.202. APPLICABILITY OF CERTAIN TAX CODE  
9 PROVISIONS. (a) Except as otherwise provided by this subchapter,  
10 Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code,  
11 apply to taxes imposed under this subchapter and to the  
12 administration and enforcement of those taxes in the same manner  
13 that those laws apply to state taxes.

14 (b) The provisions of Subchapters C, D, E, and F, Chapter  
15 323, Tax Code, relating to county sales and use taxes apply to the  
16 application, collection, and administration of a sales and use tax  
17 imposed under this subchapter to the extent consistent with this  
18 chapter, as if references in Chapter 323, Tax Code, to a county  
19 referred to the district and references to a commissioners court  
20 referred to the board.

21 (c) Sections 323.401-323.404 and 323.505, Tax Code, do not  
22 apply to a tax imposed under this subchapter. (Acts 78th Leg.,  
23 R.S., Ch. 1292, Secs. 28(b), (d).)

24 Source Law

25 (b) Except as otherwise provided in this  
26 section, Subtitles A and B, Title 2, Tax Code, and  
27 Chapter 151, Tax Code, apply to the taxes and to the  
28 administration and enforcement of the taxes imposed by  
29 the district in the same manner that those laws apply  
30 to state taxes.

31 (d) The provisions of Subchapters C, D, E, and  
32 F, Chapter 323, Tax Code, relating to county sales and  
33 use taxes shall apply to the application, collection,  
34 and administration of a sales and use tax imposed under  
35 this section to the extent consistent with this Act, as  
36 if references in Chapter 323, Tax Code, to a county  
37 referred to the district and references to a  
38 commissioners court referred to the board. Sections  
39 323.401-323.404 and 323.505, Tax Code, do not apply to  
40 a tax imposed under this section.

41 Revisor's Note

42 Section 28(b), Chapter 1292, Acts of the 78th  
43 Legislature, Regular Session, 2003, provides that

1 Subtitles A and B of Title 2, Tax Code, "apply to the  
2 taxes and to the administration and enforcement of the  
3 taxes imposed by the district . . . ." The revised law  
4 limits the applicability of the provision only to the  
5 sales and use taxes imposed under Subchapter E because  
6 the provision appears in a section applicable only to  
7 sales and use taxes and, in context, it is clear that  
8 the legislature did not intend the statement to apply  
9 to all taxes imposed by the district.

10 Revised Law

11 Sec. 3828.203. AUTHORIZATION; ELECTION. (a) The district  
12 may adopt, reduce, or repeal the sales and use tax authorized by  
13 this subchapter at an election in which a majority of the voters of  
14 the district voting in the election approve the adoption,  
15 reduction, or repeal of the tax, as applicable.

16 (b) The board by order may call an election to adopt,  
17 reduce, or repeal a sales and use tax. The election must be held on  
18 the next available uniform election date that occurs at least 45  
19 days after the date the order calling the election was passed.

20 (c) The district shall provide notice of the election and  
21 shall hold the election in the manner prescribed by Chapter 54,  
22 Water Code, for bond elections for municipal utility districts.

23 (d) The ballots shall be printed to provide for voting for  
24 or against the following appropriate proposition:

25 (1) "Adoption of a \_\_\_ percent district sales and use  
26 tax within the district";

27 (2) "Reduction of the district sales and use tax  
28 within the district from \_\_\_ percent to \_\_\_ percent"; or

29 (3) "Repeal of the district sales and use tax within  
30 the district." (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(c), (g).)

31 Source Law

32 (c) The district may adopt, reduce, or repeal  
33 the limited sales and use tax authorized by this  
34 section at an election in which a majority of the  
35 voters of the district voting in the election approve  
36 the adoption or the abolition of the tax, as  
37 applicable.

1 (g) An election to authorize, reduce, or repeal  
2 a limited sales and use tax may be called by order of  
3 the board and must be held on the next available  
4 uniform election date that occurs 45 or more days after  
5 the date on which the order calling the election was  
6 passed. The district shall provide notice of the  
7 election and shall hold and conduct the election in the  
8 manner prescribed by Chapter 54, Water Code, for bond  
9 elections for municipal utility districts. The  
10 ballots shall be printed to provide for voting for or  
11 against the appropriate one of the following  
12 propositions:

13 (1) "Adoption of a \_\_\_ percent district  
14 sales and use tax within the district";

15 (2) "Reduction of the district sales and  
16 use tax within the district from \_\_\_ percent to \_\_\_  
17 percent"; or

18 (3) "Abolition of the district sales and  
19 use tax within the district."

20 Revisor's Note

21 (1) Section 28(c), Chapter 1292, Acts of the  
22 78th Legislature, Regular Session, 2003, allows a  
23 district to "adopt, reduce, or repeal" a sales and use  
24 tax if a majority of voters in the district "approve  
25 the adoption or the abolition of the tax." The revised  
26 law substitutes "repeal" for "abolition" for  
27 consistency within the subsection and for consistency  
28 with other subsections in the section. In addition,  
29 the revised law adds the term "reduction" to the quoted  
30 phrase for consistency with preceding language in the  
31 subsection and because the authority to call an  
32 election to reduce the amount of the tax is implied by  
33 Section 28(g), which lists the requirements for such  
34 an election.

35 (2) Section 28(g), Chapter 1292, Acts of the  
36 78th Legislature, Regular Session, 2003, refers to an  
37 election to "authorize, reduce, or repeal" a sales and  
38 use tax. The revised law substitutes "adopt" for  
39 "authorize" for consistency within the subsection and  
40 for consistency with other subsections in the section.  
41 Similarly, the revised law substitutes "[r]epeal" for  
42 "[a]bolition" in the ballot language requirements for  
43 the reason provided in Revisor's Note (1).

1           (3) Section 28(g), Chapter 1292, Acts of the  
2           78th Legislature, Regular Session, 2003, requires the  
3           district to "hold and conduct" an election in a certain  
4           manner. The revised law omits "conduct" because in the  
5           context of the revised law the term is included in the  
6           meaning of "hold."

7                                   Revised Law

8           Sec. 3828.204. EFFECTIVE DATE OF TAX. A tax imposed under  
9           this subchapter or the repeal or reduction of a tax under this  
10           subchapter takes effect on the first day of the calendar quarter  
11           that occurs after the date the comptroller receives the copy of the  
12           resolution as required by Section 323.405(b), Tax Code. (Acts 78th  
13           Leg., R.S., Ch. 1292, Secs. 28(e), (i).)

14                                   Source Law

15                   (e) A tax imposed under this section or the  
16                   repeal or reduction of a tax under this section takes  
17                   effect on the first day of the calendar quarter  
18                   occurring after the date on which the comptroller  
19                   receives the copy of the resolution as required by  
20                   Section 323.405(b), Tax Code.

21                   (i) A tax imposed under this section or the  
22                   reduction or repeal of a tax under this section takes  
23                   effect on the first day of the calendar quarter  
24                   occurring after the date on which the comptroller  
25                   receives the notice required by Section 323.405(b),  
26                   Tax Code.

27                                   Revised Law

28           Sec. 3828.205. SALES AND USE TAX RATE. (a) On adoption of  
29           the tax authorized by this subchapter, there is imposed a tax of two  
30           percent, or the maximum rate at which the combined tax rate of all  
31           local sales and use taxes in any location in the district does not  
32           exceed two percent, on the receipts from the sale at retail of  
33           taxable items within the district, and an excise tax on the use,  
34           storage, or other consumption within the district of taxable items  
35           purchased, leased, or rented from a retailer within the district  
36           during the period that the tax is in effect.

37                   (b) The rate of the excise tax is the same as the rate of the  
38                   sales tax portion of the tax and is applied to the sales price of the  
39                   taxable item. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(f).)

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Source Law

(f) On adoption of the tax authorized by this section, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Revised Law

Sec. 3828.206. EFFECT OF ANNEXATION OR EXCLUSION OF TERRITORY. (a) If all or part of the district territory is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity of an election, so that the combined rate of all sales and use taxes imposed by Henderson County, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, except that:

(1) a sales and use tax previously adopted by the district for the annexed territory may not be reduced to less than one-half percent; and

(2) a reduction of the district's sales and use tax in the portions of the district that are not annexed is not required.

(b) Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by this section, the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality. (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(h), (j).)

1 Source Law

2 (h) If all or part of the territory of the  
3 district is annexed by a municipality that has adopted  
4 and is imposing a sales and use tax, the sales and use  
5 tax imposed by the district in the annexed territory  
6 shall be reduced, if required, in even multiples of  
7 one-eighth percent, and without the necessity for an  
8 election, so that the combined rate of all sales and  
9 use taxes imposed by Henderson County, the annexing  
10 municipality, and all other political subdivisions  
11 within the annexed territory of the district will not  
12 exceed two percent, except that:

13 (1) a sales and use tax previously adopted  
14 by the district for the annexed territory may not be  
15 reduced to less than one-half percent; and

16 (2) a reduction of the district's sales and  
17 use tax in the portions of the district that are not  
18 annexed is not required.

19 (j) Not later than the 10th day after the date of  
20 the annexation or exclusion of territory by the  
21 district or the annexation of all or part of the  
22 territory of the district by a municipality requiring  
23 a reduction of the district's sales and use tax as  
24 provided by Subsection (h) of this section, the board  
25 shall send to the comptroller, by certified or  
26 registered mail, certified copies of all resolutions,  
27 orders, or ordinances pertaining to the annexation or  
28 exclusion of the territory by a district or  
29 municipality.

30 Revised Law

31 Sec. 3828.207. EXAMINATION AND RECEIPT OF  
32 INFORMATION. The district may examine and receive information  
33 related to the imposition of a sales and use tax to the same extent  
34 as if the district were a municipality. (Acts 78th Leg., R.S., Ch.  
35 1292, Sec. 28(k).)

36 Source Law

37 (k) The district may examine and receive  
38 information related to the imposition, assessment, and  
39 collection of sales and use taxes to the same extent as  
40 if the district were a municipality.

41 [Sections 3828.208-3828.250 reserved for expansion]

42 SUBCHAPTER F. DISSOLUTION OF DISTRICT

43 Revised Law

44 Sec. 3828.251. DISSOLUTION. (a) Except as provided by  
45 Subsection (b) and the terms of a joint development and operating  
46 agreement, the board:

47 (1) may dissolve the district; and

48 (2) shall dissolve the district on receipt of a  
49 written petition requesting dissolution signed by the owners of 75



1 percent of the acreage of real property in the district.

2 (b) The board may not dissolve the district until the  
3 district's outstanding indebtedness or contractual obligations  
4 have been repaid or discharged.

5 (c) After the board dissolves the district, the board shall  
6 transfer ownership of all district property and assets to Henderson  
7 County. (Acts 78th Leg., R.S., Ch. 1292, Sec. 32.)

8 Source Law

9 Sec. 32. (a) Except as provided by Subsection  
10 (b) and the terms of a joint development and operating  
11 agreement, the board:

12 (1) may dissolve the district by majority  
13 vote; and

14 (2) shall dissolve the district on receipt  
15 of a written petition requesting dissolution signed by  
16 the owners of 75 percent of the acreage of real  
17 property in the district.

18 (b) The board may not dissolve the district  
19 until the district's outstanding indebtedness or  
20 contractual obligations have been repaid or  
21 discharged.

22 (c) After the board dissolves the district, the  
23 board shall transfer ownership of all property and  
24 assets of the district to Henderson County.

25 Revisor's Note

26 Section 32, Chapter 1292, Acts of the 78th  
27 Legislature, Regular Session, 2003, provides that the  
28 board of the district may dissolve the district "by  
29 majority vote." The revised law omits the quoted  
30 language because it duplicates general law. Section  
31 311.013, Government Code (Code Construction Act),  
32 provides that authority given jointly to three or more  
33 persons as a public body may be executed by a majority  
34 of them. That provision applies to the board of  
35 directors of the district.

36 Revisor's Note  
37 (End of Chapter)

38 Section 33, Chapter 1292, Acts of the 78th  
39 Legislature, Regular Session, 2003, recites  
40 legislative findings regarding procedural  
41 requirements for the creation of the district under  
42 the constitution and other laws and rules, including

1 proper legal notice, filing of recommendations, and  
 2 consent by other governmental entities to the creation  
 3 of the district. The revised law omits these  
 4 provisions as executed. The omitted law reads:

5 Sec. 33. The legislature finds that:

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

17 (2) the commission has filed  
 18 its recommendations relating to this Act  
 19 with the governor, lieutenant governor, and  
 20 speaker of the house of representatives  
 21 within the required time;

22 (3) the general law relating to  
 23 consent by political subdivisions to the  
 24 creation of districts with conservation,  
 25 reclamation, and road powers and the  
 26 inclusion of land in those districts has  
 27 been complied with; and

28 (4) all requirements of the  
 29 constitution and laws of this state and the  
 30 rules and procedures of the legislature  
 31 with respect to the notice, introduction,  
 32 and passage of this Act have been fulfilled  
 33 and accomplished.

34 CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

35 SUBCHAPTER A. GENERAL PROVISIONS

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45 [Sections 3829.009-3829.050 reserved for expansion]

46 SUBCHAPTER B. BOARD OF DIRECTORS

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33		<u>Revised Law</u>	
34	Sec. 3829.001.	DEFINITIONS. In this chapter:	

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

3 (2) "District" means the Sienna Plantation Management  
4 District. (Acts 78th Leg., R.S., Ch. 987, Sec. 2.)

5 Source Law

6 Sec. 2. In this Act:

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

9 (2) "District" means the Sienna Plantation  
10 Management District.

11 Revised Law

12 Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT. The  
13 Sienna Plantation Management District is a special district created  
14 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
15 Leg., R.S., Ch. 987, Sec. 1(a))

16 Source Law

17 Sec. 1. (a) The Sienna Plantation Management  
18 District is a special district created under Section  
19 59, Article XVI, Texas Constitution.

20 Revised Law

21 Sec. 3829.003. PURPOSE; DECLARATION OF INTENT. (a) The  
22 creation of the district is essential to accomplish the purposes of  
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
24 Texas Constitution, and other public purposes stated in this  
25 chapter. By creating the district and in authorizing the City of  
26 Missouri City, Fort Bend County, and other political subdivisions  
27 to contract with the district, the legislature has established a  
28 program to accomplish the public purposes set out in Section 52-a,  
29 Article III, Texas Constitution.

30 (b) The creation of the district is necessary to promote,  
31 develop, encourage, and maintain employment, commerce,  
32 transportation, housing, tourism, recreation, the arts,  
33 entertainment, economic development, safety, and the public  
34 welfare in the area of the district.

35 (c) This chapter and the creation of the district may not be  
36 interpreted to relieve Fort Bend County or the City of Missouri City  
37 from providing the level of services provided, as of June 20, 2003,

1 to the area in the district. The district is created to supplement  
2 and not to supplant the county or city services provided in the area  
3 in the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 3.)

4 Source Law

5 Sec. 3. (a) The creation of the district is  
6 essential to accomplish the purposes of Sections 52  
7 and 52-a, Article III, and Section 59, Article XVI,  
8 Texas Constitution, and other public purposes stated  
9 in this Act.

10 (b) The creation of the district is necessary to  
11 promote, develop, encourage, and maintain employment,  
12 commerce, transportation, housing, tourism,  
13 recreation, the arts, entertainment, economic  
14 development, safety, and the public welfare in the  
15 area of the district.

16 (c) The creation of the district and this Act  
17 may not be interpreted to relieve Fort Bend County or  
18 the City of Missouri City from providing the level of  
19 services provided, as of the effective date of this  
20 Act, to the area in the district. The district is  
21 created to supplement and not to supplant the county or  
22 city services provided in the area in the district.

23 (d) By creating the district and in authorizing  
24 the City of Missouri City, Fort Bend County, and other  
25 political subdivisions to contract with the district,  
26 the legislature has established a program to  
27 accomplish the public purposes set out in Section  
28 52-a, Article III, Texas Constitution.

29 Revisor's Note

30 Section 3(c), Chapter 987, Acts of the 78th  
31 Legislature, Regular Session, 2003, refers to "the  
32 effective date of this Act." For the convenience of  
33 the reader, the revised law substitutes for that  
34 phrase the act's effective date, June 20, 2003.

35 Revised Law

36 Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
37 The district is created to serve a public use and benefit.

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

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

45 (1) further the public purposes of development and  
46 diversification of the economy of the state;

1 (2) eliminate unemployment and underemployment; and

2 (3) develop or expand transportation and commerce.

3 (d) The district will:

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

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

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

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

19 (f) The district will not act as the agent or  
20 instrumentality of any private interest even though the district  
21 will benefit many private interests, as well as the public. (Acts  
22 78th Leg., R.S., Ch. 987, Sec. 6.)

23 Source Law

24 Sec. 6. (a) The district is created to serve a  
25 public use and benefit. All the land and other  
26 property included in the district will be benefited by  
27 the improvements and services to be provided by the  
28 district under powers conferred by Sections 52 and  
29 52-a, Article III, and Section 59, Article XVI, Texas  
30 Constitution, and other powers granted under this Act.

31 (b) The creation of the district is in the  
32 public interest and is essential to:

33 (1) further the public purposes of  
34 development and diversification of the economy of the  
35 state; and

36 (2) eliminate unemployment and  
37 underemployment and develop or expand transportation  
38 and commerce.

39 (c) The district will:

40 (1) promote the health, safety, and  
41 general welfare of residents, employers, employees,  
42 visitors, and consumers in the district, and the  
43 general public;

44 (2) provide needed funding to preserve,  
45 maintain, and enhance the economic health and vitality

1 of the district as a community and business center; and  
2 (3) further promote the health, safety,  
3 welfare, and enjoyment of the public by providing  
4 pedestrian ways and by landscaping and developing  
5 certain areas in the district, which are necessary for  
6 the restoration, preservation, and enhancement of  
7 scenic beauty.

8 (d) Pedestrian ways along or across a street,  
9 whether at grade or above or below the surface, and  
10 street lighting, street landscaping, and street art  
11 objects are parts of and necessary components of a  
12 street and are considered to be a street or road  
13 improvement.

14 (e) The district will not act as the agent or  
15 instrumentality of any private interest even though  
16 many private interests will be benefited by the  
17 district, as well as the general public.

#### 18 Revised Law

19 Sec. 3829.005. DISTRICT TERRITORY. (a) The district is  
20 composed of the territory described by Section 4, Chapter 987, Acts  
21 of the 78th Legislature, Regular Session, 2003, as that territory  
22 may have been modified under:

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

24 (2) other law.

25 (b) The boundaries and field notes of the district contained  
26 in Section 4, Chapter 987, Acts of the 78th Legislature, Regular  
27 Session, 2003, form a closure. A mistake made in the field notes or  
28 in copying the field notes in the legislative process does not in  
29 any way affect the district's:

30 (1) organization, existence, or validity;

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

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

35 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
36 987, Sec. 5; New.)

#### 37 Source Law

38 Sec. 5. The boundaries and field notes of the  
39 district form a closure. If a mistake is made in the  
40 field notes or in copying the field notes in the  
41 legislative process, the mistake does not in any way  
42 affect the district's:

43 (1) organization, existence, or validity;

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

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

1 (4) legality or operation.

2 Revisor's Note

3 The revision of the law governing the district  
4 does not revise the statutory language describing the  
5 territory of the district to avoid the lengthy  
6 recitation of the description and because that  
7 description may not be accurate on the effective date  
8 of the revision or at the time of a later reading. For  
9 the reader's convenience, the revised law includes a  
10 reference to the statutory description of the  
11 district's territory and to statutory authority to  
12 change the district's territory under Subchapter J,  
13 Chapter 49, Water Code, applicable to the district  
14 under Sections 49.001 and 49.002 of that chapter. The  
15 revised law also includes a reference to the general  
16 authority of the legislature to enact other laws to  
17 change the district's territory.

18 Revised Law

19 Sec. 3829.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
20 All or any part of the area of the district is eligible to be  
21 included in:

22 (1) a tax increment reinvestment zone created by the  
23 City of Missouri City under Chapter 311, Tax Code;

24 (2) a tax abatement reinvestment zone created by the  
25 City of Missouri City under Chapter 312, Tax Code; or

26 (3) an enterprise zone created by the City of Missouri  
27 City under Chapter 2303, Government Code. (Acts 78th Leg., R.S.,  
28 Ch. 987, Sec. 29.)

29 Source Law

30 Sec. 29. All or any part of the area of the  
31 district is eligible, notwithstanding other statutory  
32 criteria, to be included in a tax increment  
33 reinvestment zone created by the municipality under  
34 Chapter 311, Tax Code, or included in a tax abatement  
35 reinvestment zone created by the municipality under  
36 Chapter 312, Tax Code. All or any part of the area of  
37 the district is also eligible to be included in an  
38 enterprise zone created by the municipality under  
39 Chapter 2303, Government Code.



1 Revisor's Note

2 (1) Section 29, Chapter 987, Acts of the 78th  
3 Legislature, Regular Session, 2003, provides that the  
4 district is eligible, "notwithstanding other  
5 statutory criteria," to be included in a tax increment  
6 reinvestment zone or a tax abatement reinvestment  
7 zone. The revised law omits "notwithstanding other  
8 statutory criteria" since the eligibility of the  
9 district established by Section 29 to be included in  
10 the reinvestment zones necessarily supersedes any  
11 conflicting statutory criteria previously enacted by  
12 the legislature.

13 (2) Section 29, Chapter 987, Acts of the 78th  
14 Legislature, Regular Session, 2003, refers to "the  
15 municipality." The revised law substitutes "City of  
16 Missouri City" for the quoted language because it is  
17 clear from Sections 3(c) and (d) and 10, Chapter 987,  
18 Acts of the 78th Legislature, Regular Session, 2003,  
19 that the legislature intended the City of Missouri  
20 City to be the municipality with which this district  
21 operates.

22 Revised Law

23 Sec. 3829.007. APPLICABILITY OF OTHER LAW. Except as  
24 otherwise provided by this chapter, Chapter 375, Local Government  
25 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 987, Sec.  
26 7(a).)

27 Source Law

28 Sec. 7. (a) Except as otherwise provided by this  
29 Act, Chapter 375, Local Government Code, applies to  
30 the district.

31 Revised Law

32 Sec. 3829.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
33 chapter shall be construed liberally in conformity with the  
34 findings and purposes stated in this chapter. (Acts 78th Leg.,  
35 R.S., Ch. 987, Sec. 8.)

1 Source Law

2 Sec. 8. This Act shall be liberally construed in  
3 conformity with the findings and purposes stated in  
4 this Act.

5 Revisor's Note  
6 (End of Subchapter)

7 (1) Section 1(b), Chapter 987, Acts of the 78th  
8 Legislature, Regular Session, 2003, provides that the  
9 board may change the name of the district by  
10 resolution. The revised law omits the provision  
11 because it duplicates Section 375.096(d), Local  
12 Government Code. Section 7(a), Chapter 987, Acts of  
13 the 78th Legislature, Regular Session, 2003 (revised  
14 in this chapter as Section 3829.007), provides that  
15 Chapter 375, Local Government Code, applies to the  
16 district. Throughout this chapter, provisions that  
17 duplicate provisions of Chapter 375, Local Government  
18 Code, have been omitted. The relevant sections of  
19 Chapter 375 are cited in revisor's notes. The omitted  
20 law reads:

21 (b) The board by resolution may  
22 change the name of the district.

23 (2) Section 7(b), Chapter 987, Acts of the 78th  
24 Legislature, Regular Session, 2003, provides that the  
25 Code Construction Act (Chapter 311, Government Code)  
26 applies to the act. The revised law omits that  
27 provision because it duplicates Section 311.002,  
28 Government Code (Code Construction Act), applicable to  
29 the revised law. The omitted law reads:

30 (b) Chapter 311, Government Code,  
31 applies to this Act.

32 [Sections 3829.009-3829.050 reserved for expansion]

33 SUBCHAPTER B. BOARD OF DIRECTORS

34 Revised Law

35 Sec. 3829.051. COMPOSITION; TERMS. (a) Except as provided  
36 by Subsection (c), the district is governed by a board of five  
37 directors appointed under Section 3829.052.

1 (b) Directors serve staggered terms of four years, with two  
2 or three directors' terms expiring June 1 of each odd-numbered  
3 year.

4 (c) The board by resolution may increase or decrease the  
5 number of directors on the board if the board finds it is in the best  
6 interest of the district. The board may not consist of fewer than 5  
7 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 987, Sec. 9.)

8 Source Law

9 Sec. 9. (a) The district is governed by a board  
10 of five voting directors appointed under Section 10.

11 (b) Voting directors serve staggered terms of  
12 four years, with three directors' terms expiring June 1  
13 of an odd-numbered year and two directors' terms  
14 expiring June 1 of the following odd-numbered year.

15 (c) The board may increase or decrease the  
16 number of directors on the board by resolution,  
17 provided that it is in the best interest of the  
18 district to do so and that the board consists of not  
19 fewer than five and not more than 15 directors.

20 Revisor's Note

21 Section 9, Chapter 987, Acts of the 78th  
22 Legislature, Regular Session, 2003, refers to "voting  
23 directors." The revised law omits "voting" because  
24 this district does not include any "nonvoting"  
25 directors, and the powers of the directors are not  
26 otherwise limited regarding voting rights.

27 Revised Law

28 Sec. 3829.052. APPOINTMENT OF DIRECTORS. The board shall  
29 nominate a slate of persons to serve as directors. The members of  
30 the governing body of the City of Missouri City shall appoint as  
31 directors the slate of persons nominated by the board. (Acts 78th  
32 Leg., R.S., Ch. 987, Sec. 10.)

33 Source Law

34 Sec. 10. The board shall nominate a slate of  
35 persons to serve as voting directors. The members of  
36 the governing body of the City of Missouri City shall  
37 appoint as voting directors the slate of persons  
38 nominated by the board.

39 Revisor's Note

40 Section 10, Chapter 987, Acts of the 78th  
41 Legislature, Regular Session, 2003, refers to the

1 nomination and appointment of "voting directors." The  
2 revised law omits "voting" for the reason stated in the  
3 revisor's note to Section 3829.051.

4 Revised Law

5 Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

6 (a) Except as provided by this section:

7 (1) a director may participate in all board votes and  
8 decisions; and

9 (2) Chapter 171, Local Government Code, governs  
10 conflicts of interest for directors.

11 (b) Section 171.004, Local Government Code, does not apply  
12 to the district. A director who has a substantial interest in a  
13 business or charitable entity that will receive a pecuniary benefit  
14 from a board action shall file a one-time affidavit declaring the  
15 interest. An additional affidavit is not required if the  
16 director's interest changes. After the affidavit is filed with the  
17 board secretary, the director may participate in a discussion or  
18 vote on that action if:

19 (1) a majority of the directors have a similar  
20 interest in the same entity; or

21 (2) all other similar business or charitable entities  
22 in the district will receive a similar pecuniary benefit.

23 (c) A director who is also an officer or employee of a public  
24 entity may not participate in the discussion of or vote on a matter  
25 regarding a contract with that public entity.

26 (d) For purposes of this section, a director has a  
27 substantial interest in a charitable entity in the same manner that  
28 a person would have a substantial interest in a business entity  
29 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
30 R.S., Ch. 987, Sec. 11.)

31 Source Law

32 Sec. 11. (a) Except as provided by this section:

33 (1) a director may participate in all  
34 board votes and decisions; and

35 (2) Chapter 171, Local Government Code,  
36 governs conflicts of interest for directors.

37 (b) Section 171.004, Local Government Code,

1 does not apply to the district. A director who has a  
2 substantial interest in a business or charitable  
3 entity that will receive a pecuniary benefit from a  
4 board action shall file a one-time affidavit declaring  
5 the interest. An additional affidavit is not required  
6 if the director's interest changes. After the  
7 affidavit is filed with the board secretary, the  
8 director may participate in a discussion or vote on  
9 that action if:

10 (1) a majority of the directors have a  
11 similar interest in the same entity; or

12 (2) all other similar business or  
13 charitable entities in the district will receive a  
14 similar pecuniary benefit.

15 (c) A director who is also an officer or  
16 employee of a public entity may not participate in the  
17 discussion of or vote on a matter regarding a contract  
18 with that same public entity.

19 (d) For purposes of this section, a director has  
20 a substantial interest in a charitable entity in the  
21 same manner that a person would have a substantial  
22 interest in a business entity under Section 171.002,  
23 Local Government Code.

24 Revised Law

25 Sec. 3829.054. INITIAL DIRECTORS. (a) The initial board  
26 consists of the following persons:

27	Pos. No.	Name of Director
28	1	Teri L. Elliot
29	2	Linda C. Bell
30	3	Sabra L. Slade
31	4	Kelly Howden
32	5	Nancy W. Porter

33 (b) Of the initial directors, the terms of directors  
34 appointed for positions 1 through 3 expire June 1, 2007, and the  
35 terms of directors appointed for positions 4 and 5 expire June 1,  
36 2005.

37 (c) Section 3829.052 does not apply to this section.

38 (d) This section expires September 1, 2007. (Acts 78th  
39 Leg., R.S., Ch. 987, Sec. 26.)

40 Source Law

41 Sec. 26. (a) The initial board consists of the  
42 following persons:

43	Pos. No.	Name of Director
44	1	Teri L. Elliot
45	2	Linda C. Bell
46	3	Sabra L. Slade
47	4	Kelly Howden
48	5	Nancy W. Porter

49 (b) Of the initial directors, the terms of  
50 directors appointed for positions 1 through 3 expire  
51 June 1, 2007, and the terms of directors appointed for

1 positions 4 and 5 expire June 1, 2005.

2 (c) Section 10 does not apply to this section.

3 (d) This section expires September 1, 2007.

4 [Sections 3829.055-3829.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Revised Law

7 Sec. 3829.101. ADDITIONAL POWERS OF DISTRICT. The district  
8 may exercise the powers given to:

9 (1) a corporation under Section 4B, Development  
10 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
11 Statutes), including the power to own, operate, acquire, construct,  
12 lease, improve, and maintain projects described by that section;

13 (2) a housing finance corporation under Chapter 394,  
14 Local Government Code, to provide housing or residential  
15 development projects in the district; and

16 (3) a municipality under Chapter 380, Local Government  
17 Code. (Acts 78th Leg., R.S., Ch. 987, Secs. 12, 30 (part).)

18 Source Law

19 Sec. 12. The district may exercise the powers  
20 given to:

21 (1) a corporation created under Section  
22 4B, Development Corporation Act of 1979 (Article  
23 5190.6, Vernon's Texas Civil Statutes), including the  
24 power to own, operate, acquire, construct, lease,  
25 improve, and maintain projects described by that  
26 section; and

27 (2) a housing finance corporation created  
28 under Chapter 394, Local Government Code, to provide  
29 housing or residential development projects in the  
30 district.

31 Sec. 30. . . . The district has all of the  
32 powers and authority of a municipality under Chapter  
33 380, Local Government Code.

34 Revisor's Note

35 Section 30, Chapter 987, Acts of the 78th  
36 Legislature, Regular Session, 2003, gives the district  
37 the "powers and authority" of a municipality under  
38 Chapter 380, Local Government Code. The revised law  
39 omits "authority" because, in this context, the  
40 meaning of "authority" is included in the meaning of  
41 "powers."

1 Revised Law

2 Sec. 3829.102. NONPROFIT CORPORATION. (a) The board by  
3 resolution may authorize the creation of a nonprofit corporation to  
4 assist and act for the district in implementing a project or  
5 providing a service authorized by this chapter.

6 (b) The nonprofit corporation:

7 (1) has each power of and is considered for purposes of  
8 this chapter to be a local government corporation created under  
9 Chapter 431, Transportation Code; and

10 (2) may implement any project and provide any service  
11 authorized by this chapter.

12 (c) The board shall appoint the board of directors of the  
13 nonprofit corporation. The board of directors of the nonprofit  
14 corporation shall serve in the same manner as the board of directors  
15 of a local government corporation created under Chapter 431,  
16 Transportation Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 15.)

17 Source Law

18 Sec. 15. (a) The board by resolution may  
19 authorize the creation of a nonprofit corporation to  
20 assist and act on behalf of the district in  
21 implementing a project or providing a service  
22 authorized by this Act.

23 (b) The board shall appoint the board of  
24 directors of a nonprofit corporation created under  
25 this section. The board of directors of the nonprofit  
26 corporation shall serve in the same manner as the board  
27 of directors of a local government corporation created  
28 under Chapter 431, Transportation Code.

29 (c) A nonprofit corporation created under this  
30 section has the powers of and is considered for  
31 purposes of this Act to be a local government  
32 corporation created under Chapter 431, Transportation  
33 Code.

34 (d) A nonprofit corporation created under this  
35 section may implement any project and provide any  
36 service authorized by this Act.

37 Revised Law

38 Sec. 3829.103. AGREEMENTS; GRANTS. (a) The district may  
39 make an agreement with or accept a gift, grant, or loan from any  
40 person.

41 (b) The implementation of a project is a governmental  
42 function or service for the purposes of Chapter 791, Government  
43 Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 13.)

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Source Law

Sec. 13. (a) 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.

Revised Law

Sec. 3829.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Fort Bend County or the City of Missouri City to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 987, Sec. 14.)

Source Law

Sec. 14. To protect the public interest, the district may contract with Fort Bend County or the City of Missouri City to provide law enforcement services in the district for a fee.

Revised Law

Sec. 3829.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 987, Sec. 24.)

Source Law

Sec. 24. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than \$25,000.

Revised Law

Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 987, Sec. 28.)

Source Law

Sec. 28. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and perform services or provide activities consistent with the furtherance of the



1 purposes of the district. An expenditure of public  
2 money for membership in the organization is considered  
3 to further the purposes of the district and to be for a  
4 public purpose.

5 Revised Law

6 Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
7 may establish and provide for the administration of one or more  
8 programs to promote state or local economic development and to  
9 stimulate business and commercial activity in the district,  
10 including programs to:

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

12 (2) provide district personnel and services. (Acts  
13 78th Leg., R.S., Ch. 987, Sec. 30 (part).)

14 Source Law

15 Sec. 30. The district may establish and provide  
16 for the administration of one or more programs,  
17 including programs for making loans and grants of  
18 public money and providing personnel and services of  
19 the district, to promote state or local economic  
20 development and to stimulate business and commercial  
21 activity in the district. . . .

22 [Sections 3829.108-3829.150 reserved for expansion]

23 SUBCHAPTER D. FINANCIAL PROVISIONS

24 Revised Law

25 Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
26 board by resolution shall establish the number of directors'  
27 signatures and the procedure required for a disbursement or  
28 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 987,  
29 Sec. 23.)

30 Source Law

31 Sec. 23. The board by resolution shall  
32 establish the number of directors' signatures and the  
33 procedure required for a disbursement or transfer of  
34 the district's money.

35 Revised Law

36 Sec. 3829.152. TAX AND BOND ELECTIONS. (a) The district  
37 shall hold an election in the manner provided by Subchapter L,  
38 Chapter 375, Local Government Code, to obtain voter approval before  
39 the district imposes a maintenance tax or issues bonds payable from  
40 ad valorem taxes.

41 (b) The board may include more than one purpose in a single

1 proposition at an election.

2 (c) Section 375.243, Local Government Code, does not apply  
3 to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 17.)

4 Source Law

5 Sec. 17. (a) The district shall hold an  
6 election in the manner provided by Subchapter L,  
7 Chapter 375, Local Government Code, to obtain voter  
8 approval before the district imposes a maintenance tax  
9 or issues a bond payable from ad valorem taxes.

10 (b) The board may include more than one purpose  
11 in a single proposition at an election.

12 (c) Section 375.243, Local Government Code,  
13 does not apply to the district.

14 Revised Law

15 Sec. 3829.153. MAINTENANCE AND OPERATION TAX. (a) If  
16 authorized at an election held in accordance with Section 3829.152,  
17 the district may impose an annual ad valorem tax on taxable property  
18 in the district for the:

19 (1) maintenance and operation of the district and the  
20 improvements constructed or acquired by the district; or

21 (2) provision of a service.

22 (b) The board shall determine the tax rate. (Acts 78th  
23 Leg., R.S., Ch. 987, Sec. 18.)

24 Source Law

25 Sec. 18. (a) If authorized at an election held  
26 in accordance with Section 17, the district may impose  
27 an annual ad valorem tax on taxable property in the  
28 district for the maintenance and operation of the  
29 district and the improvements constructed or acquired  
30 by the district or for the provision of services.

31 (b) The board shall determine the tax rate.

32 Revised Law

33 Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
34 The board by resolution may impose an assessment for any purpose  
35 authorized by this chapter.

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

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

1 assessed;

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

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

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

12 (d) The board may make a correction to or deletion from the  
13 assessment roll that does not increase the amount of assessment of  
14 any parcel of land without providing notice and holding a hearing in  
15 the manner required for additional assessments. (Acts 78th Leg.,  
16 R.S., Ch. 987, Sec. 19.)

17 Source Law

18 Sec. 19. (a) The board by resolution may impose  
19 and collect an assessment for any purpose authorized  
20 by this Act.

21 (b) Assessments, including assessments  
22 resulting from an addition to or correction of the  
23 assessment roll by the district, reassessments,  
24 penalties and interest on an assessment or  
25 reassessment, expense of collection, and reasonable  
26 attorney's fees incurred by the district:

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

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

32 (3) are the personal liability of and  
33 charge against the owners of the property even if the  
34 owners are not named in the assessment proceedings.

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

40 (d) Without necessity of notice and hearing in  
41 the manner required for additional assessments, the  
42 board may make corrections to or deletions from the  
43 assessment roll, provided that such corrections or  
44 deletions do not increase the amount of assessment of  
45 any parcel of land.

46 Revisor's Note

47 Section 19, Chapter 987, Acts of the 78th  
48 Legislature, Regular Session, 2003, provides that the

1 board by resolution may "impose and collect" an  
2 assessment. The revised law omits the reference to the  
3 authority to collect the assessment because the  
4 authority to impose an assessment necessarily implies  
5 the authority to collect it.

6 Revised Law

7 Sec. 3829.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
8 IMPROVEMENTS. (a) The board may not finance a service or  
9 improvement project with assessments under this chapter unless a  
10 written petition requesting that service or improvement has been  
11 filed with the board.

12 (b) The petition must be signed by:

13 (1) the owners of a majority of the assessed value of  
14 real property in the district subject to assessment according to  
15 the most recent certified tax appraisal roll for Fort Bend County;  
16 or

17 (2) at least 25 owners of real property in the  
18 district, if more than 25 persons own real property in the district  
19 according to the most recent certified tax appraisal roll for Fort  
20 Bend County. (Acts 78th Leg., R.S., Ch. 987, Sec. 16.)

21 Source Law

22 Sec. 16. The board may not finance a service or  
23 improvement project with assessments under this Act  
24 unless a written petition requesting that improvement  
25 or service has been filed with the board. The petition  
26 must be signed by:

27 (1) the owners of a majority of the  
28 assessed value of real property in the district  
29 subject to assessment as determined by the most recent  
30 certified tax appraisal roll for Fort Bend County; or

31 (2) at least 25 persons who own real  
32 property in the district if more than 25 persons own  
33 real property in the district as determined by the most  
34 recent certified tax appraisal roll for Fort Bend  
35 County.

36 Revised Law

37 Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
38 ASSESSMENTS. The district may not impose an impact fee or  
39 assessment on the property, including the equipment,  
40 rights-of-way, facilities, or improvements, of:

41 (1) an electric utility or a power generation company

1 as defined by Section 31.002, Utilities Code;

2 (2) a gas utility as defined by Section 101.003 or  
3 121.001, Utilities Code;

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

6 (4) a person who provides to the public cable  
7 television or advanced telecommunications services. (Acts 78th  
8 Leg., R.S., Ch. 987, Sec. 20 (part).)

9 Source Law

10 Sec. 20. The district may not impose an impact  
11 fee or assessment on the property, equipment,  
12 rights-of-way, facilities, or improvements of an  
13 electric utility or a power generation company as  
14 defined by Section 31.002, Utilities Code, a gas  
15 utility as defined by Section 101.003 or 121.001,  
16 Utilities Code, or a telecommunications provider as  
17 defined by Section 51.002, Utilities Code, or of a  
18 person that provides to the public cable television or  
19 advanced telecommunications services. . . .

20 Revisor's Note

21 Section 20, Chapter 987, Acts of the 78th  
22 Legislature, Regular Session, 2003, exempts utilities  
23 from assessments and impact fees and also requires  
24 that "relocation, rerouting, or removal" of utility  
25 property be performed at the sole expense of the  
26 district. The revised law omits the requirements  
27 because they duplicate requirements contained in  
28 Section 375.093(c), Local Government Code. The  
29 omitted law reads:

30 Sec. 20. . . . If the district, in  
31 the exercise of the powers conferred on it  
32 by this Act, requires or requests the  
33 relocation, rerouting, or removal of  
34 electric, gas, water, sewer,  
35 communications, or other public utilities,  
36 as defined by Section 31.002, 101.003,  
37 121.001, or 51.002, Utilities Code, the  
38 relocation, rerouting, or removal shall be  
39 at the sole expense of the district.

40 Revised Law

41 Sec. 3829.157. BONDS AND OTHER OBLIGATIONS. (a) The  
42 district may issue bonds or other obligations payable wholly or  
43 partly from ad valorem taxes, assessments, impact fees, revenue,

1 grants, or other money of the district, or any combination of those  
2 sources of money, to pay for any authorized purpose of the district.

3 (b) In exercising the district's power to borrow, the  
4 district may issue a bond or other obligation in the form of a bond,  
5 note, certificate of participation or other instrument evidencing a  
6 proportionate interest in payments to be made by the district, or  
7 other type of obligation. (Acts 78th Leg., R.S., Ch. 987, Sec. 21.)

8 Source Law

9 Sec. 21. (a) The district may issue bonds or  
10 other obligations payable in whole or in part from ad  
11 valorem taxes, assessments, impact fees, revenue,  
12 grants, or other money of the district, or any  
13 combination of those sources of money, to pay for any  
14 authorized purpose of the district.

15 (b) In exercising the district's borrowing  
16 power, the district may issue a bond or other  
17 obligation in the form of a bond, note, certificate of  
18 participation or other instrument evidencing a  
19 proportionate interest in payments to be made by the  
20 district, or other type of obligation.

21 Revised Law

22 Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
23 OBLIGATIONS. Except as provided by Section 375.263, Local  
24 Government Code, a municipality is not required to pay a bond, note,  
25 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
26 987, Sec. 22.)

27 Source Law

28 Sec. 22. Except as provided by Section 375.263,  
29 Local Government Code, a municipality is not required  
30 to pay a bond, note, or other obligation of the  
31 district.

32 Revised Law

33 Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS. Without  
34 further authorization or other procedural requirement, the  
35 district may grant, consistent with Chapter 312, Tax Code, an  
36 abatement for a tax or assessment owed to the district. (Acts 78th  
37 Leg., R.S., Ch. 987, Sec. 27.)

38 Source Law

39 Sec. 27. Without further authorization or other  
40 procedural requirement, the district may grant,  
41 consistent with Chapter 312, Tax Code, an abatement  
42 for a tax or assessment owed to the district.

43 [Sections 3829.160-3829.200 reserved for expansion]

1 SUBCHAPTER E. DISSOLUTION

2 Revised Law

3 Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
4 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
5 that has debt. If the vote is in favor of dissolution, the district  
6 shall remain in existence solely for the limited purpose of  
7 discharging its debts. The dissolution is effective when all debts  
8 have been discharged.

9 (b) Section 375.264, Local Government Code, does not apply  
10 to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 25.)

11 Source Law

12 Sec. 25. (a) The board may vote to dissolve a  
13 district that has debt. If the vote is in favor of  
14 dissolution, the district shall remain in existence  
15 solely for the limited purpose of discharging its  
16 debts. The dissolution is effective when all debts  
17 have been discharged.

18 (b) Section 375.264, Local Government Code,  
19 does not apply to the district.

20 Revisor's Note  
21 (End of Chapter)

22 Section 31, Chapter 987, Acts of the 78th  
23 Legislature, Regular Session, 2003, recites  
24 legislative findings regarding procedural  
25 requirements for the creation of the district under  
26 the constitution and other laws and rules, including  
27 proper legal notice, filing of recommendations, and  
28 consent by other governmental entities to the creation  
29 of the district. The revised law omits these  
30 provisions as executed. The omitted law reads:

31 Sec. 31. The legislature finds that:

32 (1) proper and legal notice of  
33 the intention to introduce this Act,  
34 setting forth the general substance of this  
35 Act, has been published as provided by law,  
36 and the notice and a copy of this Act have  
37 been furnished to all persons, agencies,  
38 officials, or entities to which they are  
39 required to be furnished by the  
40 constitution and laws of this state,  
41 including the governor, who has submitted  
42 the notice and Act to the Texas Commission  
43 on Environmental Quality;

44 (2) the Texas Commission on  
45 Environmental Quality has filed its  
46 recommendations relating to this Act with

1 the governor, lieutenant governor, and  
 2 speaker of the house of representatives  
 3 within the required time;  
 4 (3) the general law relating to  
 5 consent by political subdivisions to the  
 6 creation of districts with conservation,  
 7 reclamation, and road powers and the  
 8 inclusion of land in those districts has  
 9 been complied with; and  
 10 (4) all requirements of the  
 11 constitution and laws of this state and the  
 12 rules and procedures of the legislature  
 13 with respect to the notice, introduction,  
 14 and passage of this Act have been fulfilled  
 15 and accomplished.

16 CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

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14 CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 3830.001. DEFINITIONS. In this chapter:

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

20 (2) "District" means the Spring Branch Area Community  
21 Improvement District. (Acts 78th Leg., R.S., Ch. 777, Sec. 2.)

22 Source Law

23 Sec. 2. In this subchapter:

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

26 (2) "District" means the Spring Branch  
27 Area Community Improvement District.

28 Revised Law

29 Sec. 3830.002. SPRING BRANCH AREA COMMUNITY IMPROVEMENT  
30 DISTRICT. The Spring Branch Area Community Improvement District is  
31 a special district created under Section 59, Article XVI, Texas  
32 Constitution. (Acts 78th Leg., R.S., Ch. 777, Sec. 1(a).)

33 Source Law

34 Sec. 1. (a) The Spring Branch Area Community  
35 Improvement District is a special district created  
36 under Section 59, Article XVI, Texas Constitution.

1 Revised Law

2 Sec. 3830.003. PURPOSE; DECLARATION OF INTENT. (a) The  
3 creation of the district is essential to accomplish the purposes of  
4 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
5 Texas Constitution, and other public purposes stated in this  
6 chapter.

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

12 (c) This chapter and the creation of the district may not be  
13 interpreted to relieve Harris County or the City of Houston from  
14 providing the level of services provided as of June 20, 2003, to the  
15 area in the district. The district is created to supplement and not  
16 to supplant the county or city services provided in the area in the  
17 district. (Acts 78th Leg., R.S., Ch. 777, Sec. 3.)

18 Source Law

19 Sec. 3. (a) The creation of the district is  
20 essential to accomplish the purposes of Sections 52  
21 and 52-a, Article III, and Section 59, Article XVI,  
22 Texas Constitution, and to accomplish other public  
23 purposes stated in this subchapter.

24 (b) The creation of the district is necessary to  
25 promote, develop, encourage, and maintain employment,  
26 commerce, transportation, housing, tourism,  
27 recreation, the arts, entertainment, economic  
28 development, safety, and the public welfare in the  
29 area of the district.

30 (c) This subchapter and the creation of the  
31 district may not be interpreted to relieve Harris  
32 County or the City of Houston from providing the level  
33 of services provided as of the effective date of this  
34 subchapter to the area in the district. The district  
35 is created to supplement and not to supplant the county  
36 or city services provided in the area in the district.

37 Revisor's Note

38 Section 3(c), Chapter 777, Acts of the 78th  
39 Legislature, Regular Session, 2003, refers to "the  
40 effective date of this subchapter." For the  
41 convenience of the reader, the revised law substitutes  
42 for that phrase the subchapter's effective date, June  
43 20, 2003.

Revised Law

1  
2           Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
3 The district is created to serve a public use and benefit.

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

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

11                   (1) further the public purposes of development and  
12 diversification of the economy of the state;

13                   (2) eliminate unemployment and underemployment; and

14                   (3) develop or expand transportation and commerce.

15           (d) The district will:

16                   (1) promote the health, safety, and general welfare of  
17 residents, employers, employees, visitors, and consumers in the  
18 district and of the public;

19                   (2) provide needed funding to preserve, maintain, and  
20 enhance the economic health and vitality of the district as a  
21 community and business center; and

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

26           (e) Pedestrian ways along or across a street, whether at  
27 grade or above or below the surface, and street lighting, street  
28 landscaping, and street art objects are parts of and necessary  
29 components of a street and are considered to be a street or road  
30 improvement.

31           (f) The district will not act as the agent or  
32 instrumentality of any private interest even though the district  
33 will benefit many private interests, as well as the public. (Acts  
34 78th Leg., R.S., Ch. 777, Sec. 6.)

1 Source Law

2 Sec. 6. (a) The district is created to serve a  
3 public use and benefit.

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

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

12 (1) further the public purposes of  
13 development and diversification of the economy of the  
14 state;

15 (2) eliminate unemployment and  
16 underemployment; and

17 (3) develop or expand transportation and  
18 commerce.

19 (d) The district will:

20 (1) promote the health, safety, and  
21 general welfare of residents, employers, employees,  
22 visitors, and consumers in the district, and of the  
23 public;

24 (2) provide needed funding to preserve,  
25 maintain, and enhance the economic health and vitality  
26 of the district as a community and business center; and

27 (3) promote the health, safety, welfare,  
28 and enjoyment of the public by providing pedestrian  
29 ways and by landscaping and developing certain areas  
30 in the district, which are necessary for the  
31 restoration, preservation, and enhancement of scenic  
32 beauty.

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

39 (f) The district will not act as the agent or  
40 instrumentality of any private interest even though  
41 the district will benefit many private interests as  
42 well as the public.

43 Revised Law

44 Sec. 3830.005. DISTRICT TERRITORY. (a) The district is  
45 composed of the territory described by Section 4, Chapter 777, Acts  
46 of the 78th Legislature, Regular Session, 2003, as that territory  
47 may have been modified under:

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

49 (2) other law.

50 (b) The boundaries and field notes of the district contained  
51 in Section 4, Chapter 777, Acts of the 78th Legislature, Regular  
52 Session, 2003, form a closure. A mistake made in the field notes or  
53 in copying the field notes in the legislative process does not in  
54 any way affect the district's:

- 1 (1) organization, existence, or validity;  
2 (2) right to issue any type of bond for a purpose for  
3 which the district is created or to pay the principal of and  
4 interest on a bond;  
5 (3) right to impose or collect an assessment or tax; or  
6 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
7 777, Sec. 5; New.)

8 Source Law

9 Sec. 5. The boundaries and field notes of the  
10 district form a closure. A mistake in the field notes  
11 or in copying the field notes in the legislative  
12 process does not in any way affect the district's:

- 13 (1) organization, existence, or validity;  
14 (2) right to issue any type of bond for a  
15 purpose for which the district is created or to pay the  
16 principal of and interest on a bond;  
17 (3) right to impose or collect an  
18 assessment or tax; or  
19 (4) legality or operation.

20 Revisor's Note

21 The revision of the law governing the district  
22 does not revise the statutory language describing the  
23 territory of the district to avoid the recitation of  
24 the description and because that description may not  
25 be accurate on the effective date of the revision or at  
26 the time of a later reading. For the reader's  
27 convenience, the revised law includes a reference to  
28 the statutory description of the district's territory  
29 and to statutory authority to change the district's  
30 territory under Subchapter J, Chapter 49, Water Code,  
31 applicable to the district under Sections 49.001 and  
32 49.002 of that chapter. The revised law also includes  
33 a reference to the general authority of the  
34 legislature to enact other laws to change the  
35 district's territory.

36 Revised Law

37 Sec. 3830.006. APPLICABILITY OF OTHER LAW. Except as  
38 otherwise provided by this chapter, Chapter 375, Local Government  
39 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 777, Sec.

1 7(a).)

2 Source Law

3 Sec. 7. (a) Except as otherwise provided by  
4 this subchapter, Chapter 375, Local Government Code,  
5 applies to the district.

6 Revised Law

7 Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
8 chapter shall be construed liberally in conformity with the  
9 findings and purposes stated in this chapter. (Acts 78th Leg.,  
10 R.S., Ch. 777, Sec. 8.)

11 Source Law

12 Sec. 8. This subchapter shall be liberally  
13 construed in conformity with the findings and purposes  
14 stated in this subchapter.

15 Revisor's Note  
16 (End of Subchapter)

17 (1) Section 1(b), Chapter 777, Acts of the 78th  
18 Legislature, Regular Session, 2003, provides that the  
19 board may change the name of the district by  
20 resolution. The revised law omits the provision  
21 because it duplicates Section 375.096(d), Local  
22 Government Code. Section 7(a), Chapter 777, Acts of  
23 the 78th Legislature, Regular Session, 2003 (revised  
24 in this chapter as Section 3830.006), provides that  
25 Chapter 375, Local Government Code, applies to the  
26 district. Throughout this chapter, provisions that  
27 duplicate provisions of Chapter 375, Local Government  
28 Code, have been omitted. The relevant sections of  
29 Chapter 375 are cited in revisor's notes. The omitted  
30 law reads:

31 (b) The board by resolution may  
32 change the name of the district.

33 (2) Section 7(b), Chapter 777, Acts of the 78th  
34 Legislature, Regular Session, 2003, provides that the  
35 Code Construction Act (Chapter 311, Government Code)  
36 applies to the act. The revised law omits that  
37 provision because it duplicates Section 311.002,

1 Government Code (Code Construction Act), applicable to  
2 the revised law. The omitted law reads:

3 (b) Chapter 311, Government Code  
4 (Code Construction Act), applies to this  
5 Act.

6 [Sections 3830.008-3830.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Revised Law

9 Sec. 3830.051. COMPOSITION; TERMS. (a) The district is  
10 governed by a board of 13 directors appointed under Section  
11 3830.053.

12 (b) Directors serve staggered terms of four years, with six  
13 or seven directors' terms expiring June 1 of each odd-numbered  
14 year. (Acts 78th Leg., R.S., Ch. 777, Sec. 10.)

15 Source Law

16 Sec. 10. (a) The district is governed by a  
17 board of 13 directors appointed under Section 12 of  
18 this subchapter.

19 (b) Directors serve staggered terms of four  
20 years, with seven directors' terms expiring June 1 of  
21 an odd-numbered year and six directors' terms expiring  
22 June 1 of the following odd-numbered year.

23 Revised Law

24 Sec. 3830.052. QUALIFICATIONS. (a) To be qualified to  
25 serve as a director, a person must be at least 18 years old and:

26 (1) an owner of property subject to assessment by the  
27 district;

28 (2) an owner of a beneficial interest in a trust that  
29 owns property subject to assessment by the district; or

30 (3) an agent, employee, or tenant nominated by a  
31 person described in Subdivision (1) or (2).

32 (b) Section 375.063, Local Government Code, does not apply  
33 to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 11.)

34 Source Law

35 Sec. 11. (a) To be qualified to serve as a  
36 director, a person must be at least 18 years old and:

37 (1) an owner of property subject to  
38 assessment by the district;

39 (2) an owner of a beneficial interest in a  
40 trust that owns property subject to assessment by the  
41 district; or

42 (3) an agent, employee, or tenant

1 nominated by a person described in Subdivision (1) or  
2 (2).

3 (b) Section 375.063, Local Government Code,  
4 does not apply to the district.

5 Revised Law

6 Sec. 3830.053. APPOINTMENT OF DIRECTORS. The mayor and  
7 members of the governing body of the City of Houston shall appoint  
8 directors from persons recommended by the board. A person is  
9 appointed if a majority of the members of the governing body,  
10 including the mayor, vote to appoint that person. (Acts 78th Leg.,  
11 R.S., Ch. 777, Sec. 12.)

12 Source Law

13 Sec. 12. The mayor and members of the governing  
14 body of the City of Houston shall appoint directors  
15 from persons recommended by the board. A person is  
16 appointed if a majority of the members of the governing  
17 body, including the mayor, vote to appoint that  
18 person.

19 Revised Law

20 Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

21 (a) Except as provided by this section:

22 (1) a director may participate in all board votes and  
23 decisions; and

24 (2) Chapter 171, Local Government Code, governs  
25 conflicts of interest for directors.

26 (b) Section 171.004, Local Government Code, does not apply  
27 to the district. A director who has a substantial interest in a  
28 business or charitable entity that will receive a pecuniary benefit  
29 from a board action shall file a one-time affidavit declaring the  
30 interest. An additional affidavit is not required if the  
31 director's interest changes. After the affidavit is filed with the  
32 board secretary, the director may participate in a discussion or  
33 vote on that action if:

34 (1) a majority of the directors have a similar  
35 interest in the same entity; or

36 (2) all other similar business or charitable entities  
37 in the district will receive a similar pecuniary benefit.

38 (c) A director who is also an officer or employee of a public  
39 entity may not participate in the discussion of or vote on a matter



1 regarding a contract with that same public entity.

2 (d) For purposes of this section, a director has a  
3 substantial interest in a charitable entity in the same manner that  
4 a person would have a substantial interest in a business entity  
5 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
6 R.S., Ch. 777, Sec. 13.)

7 Source Law

8 Sec. 13. (a) Except as provided by this  
9 section:

10 (1) a director may participate in all  
11 board votes and decisions; and

12 (2) Chapter 171, Local Government Code,  
13 governs conflicts of interest for directors.

14 (b) Section 171.004, Local Government Code,  
15 does not apply to the district. A director who has a  
16 substantial interest in a business or charitable  
17 entity that will receive a pecuniary benefit from a  
18 board action shall file a one-time affidavit declaring  
19 the interest. An additional affidavit is not required  
20 if the director's interest changes. After the  
21 affidavit is filed with the board secretary, the  
22 director may participate in a discussion or vote on  
23 that action if:

24 (1) a majority of the directors have a  
25 similar interest in the same entity; or

26 (2) all other similar business or  
27 charitable entities in the district will receive a  
28 similar pecuniary benefit.

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

33 (d) For purposes of this section, a director has  
34 a substantial interest in a charitable entity in the  
35 same manner that a person would have a substantial  
36 interest in a business entity under Section 171.002,  
37 Local Government Code.

38 Revised Law

39 Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a)  
40 Not later than the 30th day before the date of the first board  
41 meeting, written notice must be mailed by certified mail, return  
42 receipt requested, to each property owner in the district who could  
43 be subject to assessment by the district at the address of the  
44 property owner as reflected on the most recent certified tax  
45 appraisal roll for Harris County.

46 (b) The notice under Subsection (a) must include:

47 (1) a description and definition of the district;

48 (2) the purpose of the district;

49 (3) a statement that the district, by action of the

1 board, may charge an assessment for an improvement to be made in the  
2 district; and

3 (4) the time, date, and location of the first board  
4 meeting. (Acts 78th Leg., R.S., Ch. 777, Sec. 9.)

5 Source Law

6 Sec. 9. (a) Not later than the 30th day before  
7 the date of the first board meeting, written notice  
8 must be mailed by certified mail, return receipt  
9 requested, to each property owner in the district who  
10 could be subject to assessment by the district at the  
11 address of the property owner as reflected on the most  
12 recent certified tax appraisal roll for Harris County.

13 (b) The notice under Subsection (a) of this  
14 section must include:

15 (1) a description and definition of the  
16 Spring Branch Area Community Improvement District;

17 (2) the purpose of the district;

18 (3) a statement that the district, by  
19 action of the board, may charge an assessment for  
20 improvements to be made in the district; and

21 (4) the time, date, and location of the  
22 first board meeting.

23 Revised Law

24 Sec. 3830.056. INITIAL DIRECTORS. (a) The initial board  
25 consists of the following persons:

26	Pos. No.	Name of Director
27	1	Ronald Height
28	2	Glenn Smith
29	3	Catherine Barchfeld-Alexander
30	4	Kun C. Youn
31	5	Jim Jard
32	6	Al Hartman
33	7	Johnny H. Baker
34	8	Patricia A. Maddox
35	9	Pat Currie
36	10	Frank Liu
37	11	Lance H. Davis
38	12	Larry Levine
39	13	Everett P. Jackson

40 (b) Of the initial directors, the terms of directors  
41 appointed for positions 1 through 7 expire June 1, 2005, and the  
42 terms of directors appointed for positions 8 through 13 expire June

1 1, 2007.

2 (c) Section 3830.053 does not apply to this section.

3 (d) This section expires September 1, 2007. (Acts 78th  
4 Leg., R.S., Ch. 777, Sec. 27.)

5 Source Law

6 Sec. 27. (a) The initial board consists of the  
7 following persons:

	Pos. No.	Name of Director
8		
9	1	Ronald Height
10	2	Glenn Smith
11	3	Catherine Barchfeld-Alexander
12	4	Kun C. Youn
13	5	Jim Jard
14	6	Al Hartman
15	7	Johnny H. Baker
16	8	Patricia A. Maddox
17	9	Pat Currie
18	10	Frank Liu
19	11	Lance H. Davis
20	12	Larry Levine
21	13	Everett P. Jackson

22 (b) Of the initial directors, the terms of  
23 directors appointed for positions 1 through 7 expire  
24 June 1, 2005, and the terms of directors appointed for  
25 positions 8 through 13 expire June 1, 2007.

26 (c) Section 12 of this subchapter does not apply  
27 to this section.

28 (d) This section expires September 1, 2007.

29 [Sections 3830.057-3830.100 reserved for expansion]

30 SUBCHAPTER C. POWERS AND DUTIES

31 Revised Law

32 Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT. The district  
33 may exercise the powers given to:

34 (1) a corporation under Section 4B, Development  
35 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
36 Statutes); and

37 (2) a housing finance corporation under Chapter 394,  
38 Local Government Code, to provide housing or residential  
39 development projects in the district. (Acts 78th Leg., R.S., Ch.  
40 777, Sec. 15.)

41 Source Law

42 Sec. 15. The district may exercise the powers  
43 given to:

44 (1) a corporation created under Section  
45 4B, Development Corporation Act of 1979 (Article  
46 5190.6, Vernon's Texas Civil Statutes); and

47 (2) a housing finance corporation created  
48 under Chapter 394, Local Government Code, to provide  
49 housing or residential development projects in the

1 district.

2 Revised Law

3 Sec. 3830.102. NONPROFIT CORPORATION. (a) The board by  
4 resolution may authorize the creation of a nonprofit corporation to  
5 assist and act for the district in implementing a project or  
6 providing a service authorized by this chapter.

7 (b) The nonprofit corporation:

8 (1) has each power of and is considered for purposes of  
9 this chapter to be a local government corporation created under  
10 Chapter 431, Transportation Code; and

11 (2) may implement any project and provide any service  
12 authorized by this chapter.

13 (c) The board shall appoint the board of directors of the  
14 nonprofit corporation. The board of directors of the nonprofit  
15 corporation shall serve in the same manner as the board of directors  
16 of a local government corporation created under Chapter 431,  
17 Transportation Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 18.)

18 Source Law

19 Sec. 18. (a) The board by resolution may  
20 authorize the creation of a nonprofit corporation to  
21 assist and act on behalf of the district in  
22 implementing a project or providing a service  
23 authorized by this subchapter.

24 (b) The board shall appoint the board of  
25 directors of a nonprofit corporation. The board of  
26 directors of the nonprofit corporation shall serve in  
27 the same manner as the board of directors of a local  
28 government corporation created under Chapter 431,  
29 Transportation Code.

30 (c) The nonprofit corporation:

31 (1) has the powers of and is considered for  
32 purposes of this subchapter to be a local government  
33 corporation created under Chapter 431, Transportation  
34 Code; and

35 (2) may implement any project and provide  
36 any service authorized by this subchapter.

37 Revised Law

38 Sec. 3830.103. AGREEMENTS; GRANTS. (a) The district may  
39 make an agreement with or accept a gift, grant, or loan from any  
40 person.

41 (b) The implementation of a project is a governmental  
42 function or service for the purposes of Chapter 791, Government  
43 Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 16.)

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Source Law

Sec. 16. (a) 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.

Revised Law

Sec. 3830.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 777, Sec. 17.)

Source Law

Sec. 17. To protect the public interest, the district may contract to provide law enforcement services in the district for a fee.

Revised Law

Sec. 3830.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 777, Sec. 25.)

Source Law

Sec. 25. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than \$15,000.

Revised Law

Sec. 3830.106. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of the district conduits for:

- (1) another person's:
  - (A) telecommunications network;
  - (B) fiber-optic cable; or
  - (C) electronic transmission line; or
- (2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit. (Acts 78th Leg., R.S., Ch. 777, Sec. 14.)

Source Law

Sec. 14. (a) The district may acquire, operate, or charge fees for the use of the district conduits

1 for:

2 (1) another person's:  
3 (A) telecommunications network;  
4 (B) fiber-optic cable; or  
5 (C) electronic transmission line; or  
6 (2) any other type of transmission line or  
7 supporting facility.

8 (b) The district may not require a person to use  
9 a district conduit.

10 [Sections 3830.107-3830.150 reserved for expansion]

11 SUBCHAPTER D. FINANCIAL PROVISIONS

12 Revised Law

13 Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
14 board by resolution shall establish the number of directors'  
15 signatures and the procedure required for a disbursement or  
16 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 777,  
17 Sec. 24.)

18 Source Law

19 Sec. 24. The board by resolution shall  
20 establish the number of directors' signatures and the  
21 procedure required for a disbursement or transfer of  
22 the district's money.

23 Revised Law

24 Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
25 The board by resolution may impose an assessment for any purpose  
26 authorized by this chapter.

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

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

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

37 (3) are the personal liability of and a charge against  
38 the owners of the property even if the owners are not named in the  
39 assessment proceedings.

40 (c) The lien is effective from the date of the resolution of

1 the board imposing the assessment until the date the assessment is  
2 paid. The board may enforce the lien in the same manner that the  
3 board may enforce an ad valorem tax lien against real property.  
4 (Acts 78th Leg., R.S., Ch. 777, Sec. 20.)

5 Source Law

6 Sec. 20. (a) The board by resolution may impose  
7 and collect an assessment for any purpose authorized  
8 by this subchapter.

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

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

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

20 (3) are the personal liability of and  
21 charge against the owners of the property even if the  
22 owners are not named in the assessment proceedings.

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

28 Revisor's Note

29 Section 20, Chapter 777, Acts of the 78th  
30 Legislature, Regular Session, 2003, provides that the  
31 board may "impose and collect" an assessment. The  
32 revised law omits the reference to the authority to  
33 collect the assessment because the authority to impose  
34 an assessment necessarily implies the authority to  
35 collect it.

36 Revised Law

37 Sec. 3830.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
38 IMPROVEMENTS. (a) The board may not finance a service or  
39 improvement project with assessments or bonds under this chapter  
40 unless a written petition requesting that service or improvement  
41 has been filed with the board.

42 (b) A petition requesting a project financed by assessment  
43 must be signed by:

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

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

6 (c) A petition requesting a project financed by bonds must  
7 be signed by the owners of a majority of the assessed value of real  
8 property in the district that will be subject to the assessment  
9 according to the most recent certified tax appraisal roll for  
10 Harris County. (Acts 78th Leg., R.S., Ch. 777, Secs. 19, 23(b).)

11 Source Law

12 Sec. 19. The board may not finance a service or  
13 improvement project with assessments under this  
14 subchapter unless a written petition requesting that  
15 improvement or service has been filed with the board.  
16 The petition must be signed by:

17 (1) the owners of a majority of the  
18 assessed value of real property in the district  
19 subject to assessment as determined by the most recent  
20 certified tax appraisal roll for Harris County; or

21 (2) at least 50 owners of real property in  
22 the district that will be subject to the assessment, if  
23 more than 50 persons own real property subject to the  
24 assessment in the district as determined by the most  
25 recent certified tax appraisal roll for Harris County.

26 [Sec. 23]

27 (b) The board may not issue bonds for a service  
28 or improvement project under this subchapter unless a  
29 written petition requesting that improvement or  
30 service has been filed with the board. The petition  
31 must be signed by the owners of a majority of the  
32 assessed value of real property in the district that  
33 will be subject to the assessment as determined by the  
34 most recent certified tax appraisal roll for Harris  
35 County.

36 Revised Law

37 Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
38 ASSESSMENTS. The district may not impose an impact fee or  
39 assessment on the property, including the equipment,  
40 rights-of-way, facilities, or improvements, of:

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

43 (2) a gas utility as defined by Section 101.003 or  
44 121.001, Utilities Code;

45 (3) a telecommunications provider as defined by



1 Section 51.002, Utilities Code; or

2 (4) a person who provides to the public cable  
3 television or advanced telecommunications services. (Acts 78th  
4 Leg., R.S., Ch. 777, Sec. 22.)

5 Source Law

6 Sec. 22. The district may not impose an impact  
7 fee or assessment on the property, including the  
8 equipment, rights-of-way, facilities, or  
9 improvements, of an electric utility or a power  
10 generation company as defined by Section 31.002,  
11 Utilities Code, or a gas utility as defined by Section  
12 101.003 or 121.001, Utilities Code, of a  
13 telecommunications provider as defined by Section  
14 51.002, Utilities Code, or of a person that provides to  
15 the public cable television or advanced  
16 telecommunications services.

17 Revised Law

18 Sec. 3830.155. BONDS AND OTHER OBLIGATIONS. (a) The  
19 district may issue bonds or other obligations payable wholly or  
20 partly from assessments, impact fees, revenue, grants, or other  
21 money of the district, or any combination of those sources of money,  
22 to pay for any authorized purpose of the district.

23 (b) In exercising the district's power to borrow, the  
24 district may issue a bond or other obligation in the form of a bond,  
25 note, certificate of participation or other instrument evidencing a  
26 proportionate interest in payments to be made by the district, or  
27 other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Secs.  
28 23(a), (c).)

29 Source Law

30 Sec. 23. (a) The district may issue bonds or  
31 other obligations payable in whole or in part from  
32 assessments, impact fees, revenue, grants, or other  
33 money of the district, or any combination of those  
34 sources of money, to pay for any authorized purpose of  
35 the district.

36 (c) In exercising the district's borrowing  
37 power, the district may issue a bond or other  
38 obligation in the form of a bond, note, certificate of  
39 participation or other instrument evidencing a  
40 proportionate interest in payments to be made by the  
41 district, or other type of obligation.

42 Revisor's Note  
43 (End of Subchapter)

44 Section 21, Chapter 777, Acts of the 78th  
45 Legislature, Regular Session, 2003, provides that the

1 district may not impose an assessment, impact fee, or  
2 other requirement on certain residential property.  
3 The revised law omits the section because it  
4 duplicates Section 375.161, Local Government Code.  
5 The omitted law reads:

6           Sec. 21. The district may not impose  
7           an assessment, an impact fee, or any other  
8           requirement on single-family detached  
9           residential property or on a residential  
10          duplex, triplex, or fourplex.

11           [Sections 3830.156-3830.200 reserved for expansion]

12                           SUBCHAPTER E. DISSOLUTION

13   Revised Law

14           Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
15 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
16 that has debt. If the vote is in favor of dissolution, the district  
17 shall remain in existence solely for the limited purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20           (b) Section 375.264, Local Government Code, does not apply  
21 to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 26.)

22   Source Law

23           Sec. 26. (a) The board may vote to dissolve a  
24 district that has debt. If the vote is in favor of  
25 dissolution, the district shall remain in existence  
26 solely for the limited purpose of discharging its  
27 debts. The dissolution is effective when all debts  
28 have been discharged.

29           (b) Section 375.264, Local Government Code,  
30 does not apply to the district.

31   Revisor's Note  
32   (End of Chapter)

33           Section 28, Chapter 777, Acts of the 78th  
34 Legislature, Regular Session, 2003, recites  
35 legislative findings regarding procedural  
36 requirements for the creation of the district under  
37 the constitution and other laws and rules, including  
38 proper legal notice, filing of recommendations, and  
39 consent by other governmental entities to the creation  
40 of the district. The revised law omits these

1 provisions as executed. The omitted law reads:

2 Sec. 28. The legislature finds that:

3 (1) proper and legal notice of  
4 the intention to introduce this subchapter,  
5 setting forth the general substance of this  
6 subchapter, has been published as provided  
7 by law, and the notice and a copy of this  
8 subchapter have been furnished to all  
9 persons, agencies, officials, or entities  
10 to which they are required to be furnished  
11 by the constitution and laws of this state,  
12 including the governor, who has submitted  
13 the notice and subchapter to the Texas  
14 Commission on Environmental Quality;

15 (2) the Texas Commission on  
16 Environmental Quality has filed its  
17 recommendations relating to this subchapter  
18 with the governor, lieutenant governor, and  
19 speaker of the house of representatives  
20 within the required time;

21 (3) the general law relating to  
22 consent by political subdivisions to the  
23 creation of districts with conservation,  
24 reclamation, and road powers and the  
25 inclusion of land in those districts has  
26 been complied with; and

27 (4) all requirements of the  
28 constitution and laws of this state and the  
29 rules and procedures of the legislature  
30 with respect to the notice, introduction,  
31 and passage of this subchapter have been  
32 fulfilled and accomplished.

33 CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT

34 DISTRICT

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21 CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT  
 22 DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Revised Law

25 Sec. 3831.001. DEFINITIONS. In this chapter:  
 26 (1) "Board" means the board of directors of the  
 27 district.  
 28 (2) "City council" means the governing body of the  
 29 City of Temple.  
 30 (3) "Director" means a board member.  
 31 (4) "District" means the Temple Health and Bioscience  
 32 Economic Development District.  
 33 (5) "Obligation" means an interest-bearing obligation  
 34 issued by the district under this chapter, including a bond,

1 certificate, note, or other evidence of indebtedness.

2 (6) "Project" means a project established under  
3 Section 3831.111 and includes the land, buildings, equipment,  
4 facilities, infrastructure, improvements, and other property  
5 necessary to accomplish the purposes of the project. (Acts 78th  
6 Leg., R.S., Ch. 777, Sec. 2.001.)

7 Source Law

8 Sec. 2.001. In this subchapter:

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

11 (2) "Bond" means an interest-bearing  
12 obligation issued by the district under this  
13 subchapter, including a bond, certificate, note, or  
14 other evidence of indebtedness.

15 (3) "City council" means the governing  
16 body of the City of Temple.

17 (4) "Director" means a board member.

18 (5) "District" means the Temple Health and  
19 Bioscience Economic Development District.

20 (6) "Project" means a project established  
21 under Section 5.010 and includes the land, buildings,  
22 equipment, facilities, infrastructure, improvements,  
23 and other property necessary to accomplish the  
24 purposes of the project.

25 Revisor's Note

26 Section 2.001(2), Chapter 777, Acts of the 78th  
27 Legislature, Regular Session, 2003, defines "bond" as  
28 an obligation issued by the district and describes  
29 various types of obligations included within the  
30 definition that indicate evidence of indebtedness.  
31 The revised law substitutes "obligation" for "bond"  
32 because, under that definition, "obligation" is a  
33 broader term that includes "bond." Throughout this  
34 chapter, the revised law substitutes "obligation" for  
35 "bond" when that term is used to indicate "a bond,  
36 certificate, note, or other evidence of indebtedness."

37 Revised Law

38 Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE  
39 FINDINGS. (a) The creation of the district is essential to  
40 accomplish the purposes of Section 52-a, Article III, and Section  
41 59, Article XVI, Texas Constitution, and to accomplish other public  
42 purposes stated in this chapter.

1 (b) This chapter is enabling legislation enacted to further  
2 the public purposes under Section 52-a, Article III, Texas  
3 Constitution.

4 (c) The creation of the district is necessary to further the  
5 public purpose of improving the economy of this state and of the  
6 city of Temple by providing for the development of health and  
7 bioscience operations and facilities.

8 (d) The district serves the public purposes stated in this  
9 section. (Acts 78th Leg., R.S., Ch. 777, Sec. 1.001.)

10 Source Law

11 Sec. 1.001. (a) The creation of a district under  
12 this subchapter is essential to accomplish the  
13 purposes of Section 52-a, Article III, and Section 59,  
14 Article XVI, Texas Constitution, and to accomplish  
15 other public purposes stated in this subchapter.

16 (b) This subchapter is enabling legislation  
17 enacted to further the public purposes under Section  
18 52-a, Article III, Texas Constitution.

19 (c) The creation of a district under this  
20 subchapter is necessary to further the public purpose  
21 of improving the economy of the state and the City of  
22 Temple by providing for the development of health and  
23 bioscience operations and facilities.

24 (d) A district created under this subchapter  
25 serves the public purposes stated in this section.

26 Revised Law

27 Sec. 3831.003. NATURE OF DISTRICT. The district is a  
28 special district and a political subdivision of this state under  
29 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
30 R.S., Ch. 777, Sec. 2.002.)

31 Source Law

32 Sec. 2.002. The district is a special district  
33 and a political subdivision of this state under  
34 Section 59, Article XVI, Texas Constitution.

35 Revised Law

36 Sec. 3831.004. DISTRICT TERRITORY. The district boundaries  
37 are coextensive with the boundaries of the city of Temple as the  
38 boundaries of the city are adjusted by the city. (Acts 78th Leg.,  
39 R.S., Ch. 777, Sec. 3.006(b) (part).)

40 Source Law

41 (b) [The order calling the election must:]

42 (1) define the district boundaries to be  
43 the boundaries of the City of Temple as the boundaries  
44 of the city are adjusted from time to time by the city;

1 and

2 . . .

3 Revisor's Note

4 Section 3.006(b), Chapter 777, Acts of the 78th  
5 Legislature, Regular Session, 2003, refers to the  
6 power of the city to adjust its boundaries "from time  
7 to time." The revised law omits "from time to time"  
8 because the power to take an action includes the power  
9 to act "from time to time."

10 Revised Law

11 Sec. 3831.005. LIBERAL CONSTRUCTION OF CHAPTER. This  
12 chapter shall be construed liberally in conformity with the  
13 legislative findings and purposes stated in this chapter. (Acts  
14 78th Leg., R.S., Ch. 777, Sec. 1.002(a).)

15 Source Law

16 Sec. 1.002. (a) This subchapter shall be  
17 liberally construed in conformity with the legislative  
18 findings and purposes set forth in this subchapter.

19 Revisor's Note

20 (1) Section 1.002(b), Chapter 777, Acts of the  
21 78th Legislature, Regular Session, 2003, provides that  
22 the Code Construction Act (Chapter 311, Government  
23 Code) applies to the act. The revised law omits that  
24 provision because it duplicates Section 311.002,  
25 Government Code (Code Construction Act), applicable to  
26 the revised law. The omitted law reads:

27 (b) Chapter 311, Government Code  
28 (Code Construction Act), applies to this  
29 subchapter.

30 (2) Section 1.002(c), Chapter 777, Acts of the  
31 78th Legislature, Regular Session, 2003, provides that  
32 a reference to a section without further  
33 identification is a reference to a section of  
34 Subchapter B of Chapter 777. The revised law omits that  
35 provision as unnecessary because the revised law  
36 assigns each section a distinct section number in the  
37 Special District Local Laws Code and because Section



1 311.006, Government Code (Code Construction Act),  
2 applicable to the revised law, states that a reference  
3 to a section in a code without further identification  
4 is a reference to a section of that code. The omitted  
5 law reads:

6 (c) A reference to a section without  
7 further identification is a reference to a  
8 section of this subchapter.

9 [Sections 3831.006-3831.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Revised Law

12 Sec. 3831.051. GOVERNING BODY. The district is governed by  
13 a board of seven directors elected as provided by this chapter.  
14 (Acts 78th Leg., R.S., Ch. 777, Sec. 4.001.)

15 Source Law

16 Sec. 4.001. The district is governed by a board  
17 of seven directors elected as provided by this  
18 subchapter.

19 Revised Law

20 Sec. 3831.052. TERMS. Directors serve staggered  
21 three-year terms. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.002.)

22 Source Law

23 Sec. 4.002. Except as provided by Section 3.007,  
24 directors serve staggered three-year terms.

25 Revisor's Note

26 Section 4.002, Chapter 777, Acts of the 78th  
27 Legislature, Regular Session, 2003, sets three-year  
28 terms for directors "[e]xcept as provided by Section  
29 3.007." The revised law omits the quoted language  
30 because Section 3.007 (regarding the appointment and  
31 terms of the temporary directors) is omitted from the  
32 revised law as executed (see Revisor's Note (2) at the  
33 end of Subchapter F).

34 Revised Law

35 Sec. 3831.053. DATE OF ELECTIONS. The district shall hold  
36 board elections so that:

37 (1) four directors are elected on the regular election

1 day on which certain members of the city council and the mayor of  
2 the City of Temple are elected; and

3 (2) three directors are elected on the regular  
4 election day on which the other members of the city council of the  
5 City of Temple are elected. (Acts 78th Leg., R.S., Ch. 777, Sec.  
6 4.003.)

7 Source Law

8 Sec. 4.003. The district shall hold board  
9 elections as follows:

10 (1) four directors must be elected on the  
11 regular election day on which certain members of the  
12 city council and the mayor of the City of Temple are  
13 elected; and

14 (2) three directors must be elected on the  
15 regular election day on which the other members of the  
16 city council of the City of Temple are elected.

17 Revised Law

18 Sec. 3831.054. QUALIFICATIONS. A director:

19 (1) must be a registered voter of the City of Temple;  
20 and

21 (2) may not:

22 (A) be an elected official; or

23 (B) be employed by the district or the City of  
24 Temple. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.004.)

25 Source Law

26 Sec. 4.004. A director:

27 (1) must be a registered voter of the City  
28 of Temple; and

29 (2) may not be:

30 (A) an elected official; or

31 (B) employed by the district or the  
32 City of Temple.

33 Revised Law

34 Sec. 3831.055. VACANCY. The remaining directors shall  
35 fill a vacancy in the office of director for the unexpired term.  
36 (Acts 78th Leg., R.S., Ch. 777, Sec. 4.005.)

37 Source Law

38 Sec. 4.005. A vacancy in the office of director  
39 shall be filled by the remaining directors for the  
40 unexpired term.

41 Revised Law

42 Sec. 3831.056. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a)

1 As soon as practicable after a director is elected or appointed, the  
2 director shall execute a bond for \$10,000 payable to the district  
3 and conditioned on the faithful performance of the director's  
4 duties.

5 (b) The bond must be approved by the board.

6 (c) The bond and the director's constitutional oath or  
7 affirmation of office shall be filed with the district and the  
8 district shall retain the bond and the oath or affirmation in the  
9 district's records. (Acts 78th Leg., R.S., Ch. 777, Secs.  
10 4.006(a), (b), (d).)

11 Source Law

12 Sec. 4.006. (a) As soon as practicable after a  
13 director is elected or appointed, the director shall  
14 execute a bond for \$10,000 payable to the district and  
15 conditioned on the faithful performance of the  
16 director's duties.

17 (b) The bond must be approved by the board.

18 (d) The bond and oath shall be filed with the  
19 district and the district shall retain the bond and  
20 oath in its records.

21 Revisor's Note

22 Section 4.006(c), Chapter 777, Acts of the 78th  
23 Legislature, Regular Session, 2003, requires each  
24 member of the board to take the constitutional oath of  
25 office. The revised law omits that provision because  
26 it duplicates Section 1, Article XVI, Texas  
27 Constitution, which requires all officers to take an  
28 oath or affirmation before assuming office. In  
29 addition, the revised law includes a reference to an  
30 "affirmation" of office because Section 1, Article  
31 XVI, Texas Constitution, refers to an oath or  
32 affirmation. The revised law is drafted to conform to  
33 the constitutional requirement. The omitted law  
34 reads:

35 (c) Each director shall take the oath  
36 of office prescribed by the constitution  
37 for public office.

38 Revised Law

39 Sec. 3831.057. OFFICERS. (a) The board shall elect from

1 among the directors a presiding officer, a secretary, and any other  
2 officers the board considers necessary.

3 (b) The board by resolution shall establish the powers and  
4 duties of the officers, consistent with this chapter. (Acts 78th  
5 Leg., R.S., Ch. 777, Sec. 4.007.)

6 Source Law

7 Sec. 4.007. (a) The board shall elect from the  
8 board a presiding officer, a secretary, and any other  
9 officers the board considers necessary.

10 (b) The board by resolution shall establish the  
11 powers and duties of the officers, consistent with  
12 this subchapter.

13 Revised Law

14 Sec. 3831.058. COMPENSATION; EXPENSES. A director serves  
15 without compensation but is entitled to reimbursement for actual  
16 and necessary expenses approved by the board. (Acts 78th Leg.,  
17 R.S., Ch. 777, Sec. 4.008.)

18 Source Law

19 Sec. 4.008. A director serves without  
20 compensation but is entitled to reimbursement for  
21 actual and necessary expenses approved by the board.

22 Revised Law

23 Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS. (a) The  
24 board may establish regular meetings to conduct district business  
25 and may hold special meetings at other times as necessary.

26 (b) The board shall provide the notice prepared under  
27 Subchapter C, Chapter 551, Government Code, to the City of Temple's  
28 secretary. In addition to the requirements imposed by that  
29 subchapter on the district, the city shall post the notice at the  
30 usual location at which notices of city council meetings are  
31 posted. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.009.)

32 Source Law

33 Sec. 4.009. (a) The board may establish regular  
34 meetings to conduct district business and may hold  
35 special meetings at other times as necessary.

36 (b) The board shall provide the notice prepared  
37 under Subchapter C, Chapter 551, Government Code, to  
38 the City of Temple's secretary. In addition to the  
39 requirements imposed by that subchapter on the  
40 district, the city shall post the notice at the usual  
41 location at which notices of city council meetings are  
42 posted.

1 Revised Law

2 Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The  
3 board shall employ any person the board considers necessary to  
4 conduct district affairs, including:

- 5 (1) engineers;  
6 (2) attorneys;  
7 (3) financial advisors;  
8 (4) economists;  
9 (5) a general manager;  
10 (6) a utility operator;  
11 (7) bookkeepers;  
12 (8) auditors; and  
13 (9) clerical workers.

14 (b) The board by resolution shall determine the  
15 compensation and terms of service of any person employed or hired by  
16 the district.

17 (c) The board may remove any employee.

18 (d) The board may require an employee to execute a bond  
19 payable to the district and conditioned on the faithful performance  
20 of the person's duties. (Acts 78th Leg., R.S., Ch. 777, Sec.  
21 4.010.)

22 Source Law

23 Sec. 4.010. (a) The board shall employ any  
24 person the board considers necessary to conduct  
25 district affairs, including:

- 26 (1) engineers;  
27 (2) attorneys;  
28 (3) financial advisors;  
29 (4) economists;  
30 (5) a general manager;  
31 (6) a utility operator;  
32 (7) bookkeepers;  
33 (8) auditors; and  
34 (9) clerical workers.

35 (b) The board by resolution shall determine the  
36 compensation and terms of service of any person  
37 employed or hired by the district.

38 (c) The board may remove any employee.

39 (d) The board may require an employee to execute  
40 a bond payable to the district and conditioned on the  
41 faithful performance of the person's duties.

42 [Sections 3831.061-3831.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 3831.101. GENERAL POWERS. The district has all powers  
4 necessary or convenient to carry out and effect the purposes and  
5 provisions of this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec.  
6 5.001.)

7 Source Law

8 Sec. 5.001. The district has all powers  
9 necessary or convenient to carry out and effect the  
10 purposes and provisions of this subchapter.

11 Revised Law

12 Sec. 3831.102. RULES. The board may adopt rules to govern  
13 the district, including rules governing district operations,  
14 employees, and property. (Acts 78th Leg., R.S., Ch. 777, Sec.  
15 5.002.)

16 Source Law

17 Sec. 5.002. The board may adopt rules to govern  
18 the district, including its operations, employees, and  
19 property.

20 Revised Law

21 Sec. 3831.103. DISTRICT OFFICE. The board shall designate  
22 and establish a district office in the city of Temple. (Acts 78th  
23 Leg., R.S., Ch. 777, Sec. 5.003.)

24 Source Law

25 Sec. 5.003. The board shall designate and  
26 establish a district office in the City of Temple.

27 Revised Law

28 Sec. 3831.104. PROPERTY. The district may exercise any  
29 type of property right, including the power to acquire, sell, or  
30 lease as lessee or lessor, regarding any type of property interest  
31 in the district or for use in the district under terms determined by  
32 the board. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.004.)

33 Source Law

34 Sec. 5.004. The district may exercise any type  
35 of property right, including the power to acquire,  
36 sell, or lease as lessee or lessor, regarding any type  
37 of property interest in the district or for use in the  
38 district under terms and conditions determined by the  
39 board.

1 Revisor's Note

2 Section 5.004, Chapter 777, Acts of the 78th  
3 Legislature, Regular Session, 2003, refers to "terms  
4 and conditions" regarding a property right.  
5 Throughout this chapter, the revised law omits  
6 "conditions" because "conditions" is included within  
7 the meaning of "terms."

8 Revised Law

9 Sec. 3831.105. AGREEMENTS. The district may make an  
10 agreement with any person for any district purpose, including a  
11 contract to manage or maintain a district project. (Acts 78th Leg.,  
12 R.S., Ch. 777, Sec. 5.005 (part).)

13 Source Law

14 Sec. 5.005. The district may make an agreement  
15 with or . . . any person for any district purpose,  
16 including a contract to manage or maintain a district  
17 project.

18 Revised Law

19 Sec. 3831.106. GIFTS, GRANTS, AND LOANS. The district may  
20 accept a gift, grant, or loan from any person for any district  
21 purpose. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.005 (part).)

22 Source Law

23 Sec. 5.005. The district may . . . accept a  
24 gift, grant, or loan from any person for any district  
25 purpose, . . . .

26 Revised Law

27 Sec. 3831.107. COMPETITIVE BIDDING. (a) Except as  
28 provided by Subsection (b), Section 375.221, Local Government Code,  
29 applies to the district.

30 (b) Section 375.221, Local Government Code, does not apply  
31 to a contract between the district and:

32 (1) another governmental entity;

33 (2) a nonprofit corporation, including a scientific  
34 research corporation; or

35 (3) a corporation created under the Development  
36 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
37 Statutes). (Acts 78th Leg., R.S., Ch. 777, Sec. 5.006.)

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Source Law

Sec. 5.006. (a) Except as provided by Subsection (b), Section 375.221, Local Government Code, applies to the district.

(b) Section 375.221, Local Government Code, does not apply to a contract between the district and:

- (1) another governmental entity;
- (2) a nonprofit corporation, including a scientific research corporation; or
- (3) a corporation created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes).

Revised Law

Sec. 3831.108. RELATION TO OTHER LAW ON CONTRACTS. This chapter states the procedures necessary to award contracts and supersedes any law or other requirement otherwise applicable to the district regarding the award of contracts. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.007.)

Source Law

Sec. 5.007. This subchapter states the procedures necessary to award contracts and supersedes any law or other requirement otherwise applicable to the district regarding the award of contracts.

Revised Law

Sec. 3831.109. FEES FOR USE OF DISTRICT IMPROVEMENTS. The district may establish and maintain reasonable and nondiscriminatory rates, fares, charges, rents, or other fees or compensation for the use of the improvements constructed, operated, or maintained by the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.008.)

Source Law

Sec. 5.008. The district may establish and maintain reasonable and nondiscriminatory rates, fares, charges, rents, or other fees or compensation for the use of the improvements constructed, operated, or maintained by the district.

Revised Law

Sec. 3831.110. PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to:

- (1) promote state or local economic development; and
- (2) stimulate business and commercial activity in the district that relates to a project.

(b) As part of a program, the district may:



1 (1) make loans or grants of public money for a public  
2 purpose as provided by Section 52-a, Article III, Texas  
3 Constitution; or

4 (2) provide district personnel and services for the  
5 program.

6 (c) The district may contract with any person to administer  
7 a program established under this section. (Acts 78th Leg., R.S.,  
8 Ch. 777, Sec. 5.009.)

9 Source Law

10 Sec. 5.009. (a) The district may establish and  
11 provide for the administration of one or more programs  
12 to:

13 (1) promote state or local economic  
14 development; and

15 (2) stimulate business and commercial  
16 activity in the district that relates to a project.

17 (b) As part of a program established under  
18 Subsection (a), the district may:

19 (1) make loans or grants of public money  
20 for a public purpose as provided by Section 52-a,  
21 Article III, Texas Constitution; or

22 (2) provide district personnel and  
23 services for the program.

24 (c) The district may contract with any person to  
25 administer a program under this section.

26 Revised Law

27 Sec. 3831.111. PROJECTS. (a) The district may establish  
28 projects for:

29 (1) bioscience and health products, including  
30 projects related to:

31 (A) research and development;

32 (B) invention and discovery;

33 (C) commercialization;

34 (D) production and manufacturing of goods and  
35 products, including projects for manufacturing facilities; and

36 (E) development of production process and  
37 delivery system purposes in, involved in, based on, or related to,  
38 or intended to advance the state of knowledge, skill, and  
39 understanding of, the biosciences, including:

40 (i) wet laboratories;

41 (ii) clean rooms;

42 (iii) dry laboratories;

- 1 (iv) research and development facilities;
- 2 (v) genetics facilities and equipment;
- 3 (vi) pharmaceutical facilities and
- 4 equipment;
- 5 (vii) biotechnology incubators;
- 6 (viii) bioscience and biotechnology health
- 7 care facilities;
- 8 (ix) biotechnology facilities;
- 9 (x) bioscience facilities; and
- 10 (xi) other similar projects;

11 (2) bioscience education, including projects for  
12 health or biotechnology education facilities, regardless of any  
13 affiliation with other institutions of higher, vocational, or job  
14 training education;

15 (3) access to public safety facilities and equipment;

16 (4) streets and roads;

17 (5) drainage services;

18 (6) wastewater services;

19 (7) potable water services;

20 (8) telecommunication facilities;

21 (9) demolition of existing structures;

22 (10) development and institution of water  
23 conservation programs;

24 (11) chilled water services;

25 (12) steam services;

26 (13) industrial gases services;

27 (14) other utility and process and production  
28 services; or

29 (15) the support of any other type of health or  
30 bioscience projects.

31 (b) A project must be related to the bioscience or health  
32 purposes of the district. (Acts 78th Leg., R.S., Ch. 777, Sec.  
33 5.010.)

1 Source Law

2 Sec. 5.010. (a) The district may establish  
3 projects for:

4 (1) bioscience and health products,  
5 including projects related to:

6 (A) research and development;

7 (B) invention and discovery;

8 (C) commercialization;

9 (D) production and manufacturing of  
10 goods and products, including facilities for  
11 manufacturing; and

12 (E) development of production  
13 process and delivery system purposes in, involved in,  
14 based on, or related to, or intended to advance the  
15 state of knowledge, skill, and understanding of, the  
16 biosciences, including:

17 (i) wet laboratories;

18 (ii) clean rooms;

19 (iii) dry laboratories;

20 (iv) research and development  
21 facilities;

22 (v) genetics facilities and  
23 equipment;

24 (vi) pharmaceutical facilities  
25 and equipment;

26 (vii) biotechnology  
27 incubators;

28 (viii) bioscience and biotech  
29 health care facilities;

30 (ix) biotech facilities;

31 (x) bioscience facilities; and

32 (xi) other similar projects;

33 (2) bioscience education, including  
34 health or biotech education facilities regardless of  
35 any affiliation with other institutions of higher,  
36 vocational, or job training education;

37 (3) access to public safety facilities and  
38 equipment;

39 (4) streets and roads;

40 (5) drainage services;

41 (6) wastewater services;

42 (7) potable water services;

43 (8) telecommunication facilities;

44 (9) demolition of existing structures;

45 (10) development and institution of water  
46 conservation programs;

47 (11) chilled water services;

48 (12) steam services;

49 (13) industrial gases services;

50 (14) other utility and process and  
51 production services; or

52 (15) the support of any other type of  
53 health or bioscience projects.

54 (b) A project established under Subsection (a)  
55 must be related to the bioscience or health purposes of  
56 the district.

57 Revised Law

58 Sec. 3831.112. SUITS. (a) The district may sue and be  
59 sued.

60 (b) Service of process in a suit may be made by serving any  
61 two directors.

62 (c) The district may not be required to give security for

1 costs and may appeal from a judgment without giving a supersedeas  
2 bond or cost bond. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.011.)

3 Source Law

4 Sec. 5.011. (a) The district may sue and be  
5 sued.

6 (b) Service of process in a suit may be made by  
7 serving any two directors.

8 (c) The district may not be required to give  
9 security for costs and may appeal from a judgment  
10 without giving a supersedeas or cost bond.

11 Revised Law

12 Sec. 3831.113. SEAL. The district may adopt a seal. (Acts  
13 78th Leg., R.S., Ch. 777, Sec. 5.012.)

14 Source Law

15 Sec. 5.012. The district may adopt a seal.

16 Revised Law

17 Sec. 3831.114. NONPROFIT CORPORATION. (a) The board by  
18 resolution may authorize the creation of a nonprofit corporation,  
19 including a scientific corporation, under the Business  
20 Organizations Code. The nonprofit corporation shall assist and act  
21 for the district in implementing a project or providing a service  
22 authorized by this chapter.

23 (a-1) On or before December 31, 2009, the board by  
24 resolution may authorize the creation of a nonprofit corporation,  
25 including a scientific corporation, under the Texas Non-Profit  
26 Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil  
27 Statutes) or the Business Organizations Code, as applicable. The  
28 nonprofit corporation shall assist and act for the district in  
29 implementing a project or providing a service authorized by this  
30 chapter.

31 (b) The nonprofit corporation:

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

35 (2) may implement any project and provide any service  
36 authorized by this chapter.

37 (c) The board shall appoint the board of directors of the

1 nonprofit corporation. The board may appoint a director of the  
2 district's board to serve as a director of the nonprofit  
3 corporation. The board of directors of the nonprofit corporation  
4 shall serve in the same manner as the board of directors of a local  
5 government corporation created under Chapter 431, Transportation  
6 Code.

7 (d) This subsection and Subsection (a-1) expire December  
8 31, 2009. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.013.)

9 Source Law

10 Sec. 5.013. (a) The board by resolution may  
11 authorize the creation of a nonprofit corporation  
12 under the Texas Non-Profit Corporation Act (Article  
13 1396-1.01 et seq., Vernon's Texas Civil Statutes),  
14 including creation of a scientific corporation. The  
15 nonprofit corporation shall assist and act on behalf  
16 of the district in implementing a project or providing  
17 a service authorized by this subchapter.

18 (b) The board shall appoint the board of  
19 directors of a nonprofit corporation. The board may  
20 appoint a director of the district's board to serve as  
21 a director of the nonprofit corporation. The board of  
22 directors of the nonprofit corporation shall serve in  
23 the same manner as the board of directors of a local  
24 government corporation created under Chapter 431,  
25 Transportation Code.

26 (c) The nonprofit corporation:

27 (1) has the powers of and is considered for  
28 purposes of this subchapter to be a local government  
29 corporation created under Chapter 431, Transportation  
30 Code; and

31 (2) may implement any project and provide  
32 any service authorized by this subchapter.

33 Revisor's Note

34 Section 5.013, Chapter 777, Acts of the 78th  
35 Legislature, Regular Session, 2003, refers to the  
36 Texas Non-Profit Corporation Act. That act was  
37 codified in various chapters of the Business  
38 Organizations Code by Chapter 182, Acts of the 78th  
39 Legislature, Regular Session, 2003. The Business  
40 Organizations Code takes effect January 1, 2006, and  
41 applies only to domestic business entities formed on  
42 or after that date, to domestic business entities  
43 formed before that date that elect to have that code  
44 govern their operations, and to certain foreign  
45 business entities. On January 1, 2010, the Texas

1 Non-Profit Corporation Act expires, and the Business  
2 Organizations Code will apply to all business entities  
3 without regard to date of formation or whether an  
4 entity is a foreign or domestic business entity. The  
5 revised law is drafted to reflect the applicability of  
6 these statutes in accordance with their effective  
7 dates or on election by a business entity.

8 [Sections 3831.115-3831.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Revised Law

11 Sec. 3831.151. USE OF DISTRICT MONEY. The district may use  
12 district money for any district purpose, including:

13 (1) to pay for projects; and

14 (2) to pay district obligations. (Acts 78th Leg.,  
15 R.S., Ch. 777, Sec. 6.001.)

16 Source Law

17 Sec. 6.001. The district may use district money  
18 for any district purpose, including to pay:

19 (1) for projects; and

20 (2) district bonds or other obligations.

21 Revised Law

22 Sec. 3831.152. INVESTMENTS. (a) The district may invest  
23 money the district receives under this chapter.

24 (b) The district may hire a person to invest district money  
25 on terms the board considers advisable. (Acts 78th Leg., R.S., Ch.  
26 777, Sec. 6.002.)

27 Source Law

28 Sec. 6.002. (a) The district may invest money  
29 it receives under this subchapter.

30 (b) The district may hire a person to invest  
31 district money on terms the board considers advisable.

32 Revised Law

33 Sec. 3831.153. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
34 board by resolution shall establish the number of directors'  
35 signatures and the procedure required for a disbursement or  
36 transfer of district money. (Acts 78th Leg., R.S., Ch. 777, Sec.  
37 6.003.)

1 Source Law

2 Sec. 6.003. The board by resolution shall  
3 establish the number of directors' signatures and the  
4 procedure required for a disbursement or transfer of  
5 district money.

6 Revised Law

7 Sec. 3831.154. DEPOSITORY INSTITUTION. The district may  
8 select one or more financial institutions to serve as a depository  
9 bank for the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.004.)

10 Source Law

11 Sec. 6.004. The district may designate  
12 financial institutions to serve as the depository bank  
13 or banks for the district.

14 Revised Law

15 Sec. 3831.155. ACCOUNTS; FISCAL YEAR. (a) The district  
16 may establish an accounting system for the district for each year.

17 (b) The district may establish a fiscal year for the  
18 district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.005.)

19 Source Law

20 Sec. 6.005. (a) The district may establish an  
21 accounting system for the district for each year.

22 (b) The district may establish a fiscal year for  
23 the district.

24 Revised Law

25 Sec. 3831.156. PROJECT FUND. (a) The district by  
26 resolution shall establish a project fund.

27 (b) The district may establish separate accounts in the  
28 project fund.

29 (c) The district shall deposit into the project fund all  
30 money acquired or received by the district, including:

31 (1) the proceeds from an ad valorem tax imposed by the  
32 district; and

33 (2) revenue from the sale of district obligations.  
34 (Acts 78th Leg., R.S., Ch. 777, Sec. 6.006.)

35 Source Law

36 Sec. 6.006. (a) The district by resolution  
37 shall establish a project fund.

38 (b) The district may establish separate  
39 accounts within the project fund.

40 (c) The district shall deposit into the project  
41 fund all district money, including:

42 (1) the proceeds from any ad valorem tax

1 imposed by the district;  
2 (2) all revenue from the sale of district  
3 bonds or other obligations; and  
4 (3) any other money acquired or received  
5 by the district.

6 Revised Law

7 Sec. 3831.157. AUDIT. (a) The district shall enter into a  
8 written contract with an independent certified public accountant or  
9 a certified public accounting firm for an annual audit of the  
10 district's affairs and financial records.

11 (b) The district shall make the audit available for  
12 inspection by the public and the City of Temple. (Acts 78th Leg.,  
13 R.S., Ch. 777, Sec. 6.007.)

14 Source Law

15 Sec. 6.007. (a) The district shall contract  
16 with an independent certified public accountant or a  
17 certified public accounting firm to audit the  
18 district's affairs annually, including the district's  
19 financial records. The contract must be a written  
20 contract.

21 (b) The district shall make the audit available  
22 for inspection by the public and the City of Temple.

23 Revised Law

24 Sec. 3831.158. ASSESSMENTS. The district may impose an  
25 assessment on property in the district, including an assessment on  
26 a leasehold interest, by agreement with the property owner. (Acts  
27 78th Leg., R.S., Ch. 777, Sec. 6.008.)

28 Source Law

29 Sec. 6.008. The district may impose an  
30 assessment on property in the district, including a  
31 leasehold interest, by agreement with the property  
32 owner.

33 Revised Law

34 Sec. 3831.159. LIABILITIES. The district may incur  
35 liabilities, including a liability incurred by:

36 (1) borrowing money on terms the board determines; and

37 (2) issuing obligations under Section 3831.160. (Acts  
38 78th Leg., R.S., Ch. 777, Sec. 6.009.)

39 Source Law

40 Sec. 6.009. The district may incur liabilities,  
41 including those incurred by:

42 (1) borrowing money on terms and  
43 conditions the board determines; and

44 (2) issuing bonds or other obligations



1 under Section 6.010.

2 Revised Law

3 Sec. 3831.160. OBLIGATIONS. (a) The district may issue  
4 obligations, including revenue bonds, to pay the costs of a project  
5 in the district.

6 (b) In exercising the district's borrowing power, the  
7 district may issue an obligation in the form of a bond, note,  
8 certificate of participation or other instrument evidencing a  
9 proportionate interest in payments to be made by the district, or  
10 other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Sec.  
11 6.010.)

12 Source Law

13 Sec. 6.010. (a) The district may issue bonds,  
14 including revenue bonds, or other obligations to pay  
15 the costs of a project in the district.

16 (b) In exercising the district's borrowing  
17 power, the district may issue a bond or other  
18 obligation in the form of a bond, note, certificate of  
19 participation or other instrument evidencing a  
20 proportionate interest in payments to be made by the  
21 district, or other type of obligation.

22 [Sections 3831.161-3831.200 reserved for expansion]

23 SUBCHAPTER E. AD VALOREM TAX

24 Revised Law

25 Sec. 3831.201. IMPOSITION OF AD VALOREM TAX. If authorized  
26 at an election held under Section 3831.255, the district:

27 (1) may by order impose an annual ad valorem tax on  
28 taxable property in the district to pay for projects; and

29 (2) shall by order impose an ad valorem tax to pay for  
30 obligations that are payable wholly or partly from ad valorem  
31 taxes. (Acts 78th Leg., R.S., Ch. 777, Sec. 7.001.)

32 Source Law

33 Sec. 7.001. If authorized at an election held  
34 under Section 3.006, the district:

35 (1) may by order impose an annual ad  
36 valorem tax on taxable property in the district to pay  
37 for projects; and

38 (2) shall by order impose an ad valorem tax  
39 to pay for bonds that are payable wholly or partly from  
40 ad valorem taxes.

41 Revised Law

42 Sec. 3831.202. TAX RATE. (a) The board shall determine

1 the tax rate.

2 (b) The tax rate may not exceed 15 cents per \$100 of assessed  
3 valuation of taxable property in the district. (Acts 78th Leg.,  
4 R.S., Ch. 777, Sec. 7.002.)

5 Source Law

6 Sec. 7.002. (a) The board shall determine the  
7 tax rate.

8 (b) The tax rate may not exceed 15 cents per each  
9 \$100 of assessed valuation of taxable property in the  
10 district.

11 Revised Law

12 Sec. 3831.203. TAX ASSESSOR-COLLECTOR. The board may:

13 (1) appoint a district tax assessor-collector; or

14 (2) contract for the assessment and collection of  
15 taxes as provided by the Tax Code. (Acts 78th Leg., R.S., Ch. 777,  
16 Sec. 7.003.)

17 Source Law

18 Sec. 7.003. The board may:

19 (1) appoint a district tax  
20 assessor-collector; or

21 (2) contract for the assessment and  
22 collection of taxes as provided by the Tax Code.

23 [Sections 3831.204-3831.250 reserved for expansion]

24 SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION

25 AUTHORITY

26 Revised Law

27 Sec. 3831.251. APPLICATION FOR PETITION TO CALL ELECTION.

28 (a) If 10 or more registered voters of the city of Temple file a  
29 written application with the city for a petition to authorize the  
30 district to impose an ad valorem tax, the city shall issue to the  
31 applicants a petition to be circulated among the registered voters  
32 of the city for the signatures of voters who want to authorize the  
33 district to impose an ad valorem tax.

34 (b) At the request of petitioners under this section, a  
35 petition for a local option election to determine whether the  
36 district may impose an ad valorem tax may also provide that at the  
37 same election the district shall be authorized to issue obligations  
38 payable wholly or partly from that ad valorem tax as permitted under

1 Section 3831.160.

2 (c) The application for the petition must be titled:  
3 "Application for Local Option Election Petition to Enable the  
4 Temple Health and Bioscience Economic Development District to  
5 Impose an Ad Valorem Tax not to Exceed 15 Cents per \$100 Valuation  
6 of all Taxable Property in the District."

7 (d) The application must contain a statement just before the  
8 signatures of the applicants that reads substantially as follows:  
9 "The petitioners whose signatures appear on this petition intend  
10 that the Temple Health and Bioscience Economic Development District  
11 be enabled to impose an ad valorem tax not to exceed 15 cents per  
12 \$100 valuation of all taxable property in the district."

13 (e) If the petition also seeks an election to authorize the  
14 issuance of obligations by the district payable wholly or partly  
15 from ad valorem taxes, the statement: "and to Issue Bonds Payable in  
16 Whole or in Part from the Ad Valorem Tax" must be appended to the  
17 title specified by Subsection (c). (Acts 78th Leg., R.S., Ch. 777,  
18 Secs. 3.001(b), (c), 3.002(c).)

19 Source Law

20 [Sec. 3.001]

21 (b) If the district is created without the power  
22 to impose an ad valorem tax and 10 or more qualified  
23 voters of the City of Temple file a written application  
24 with the city for a petition to enable the district to  
25 impose a tax, the city shall issue to the applicants a  
26 petition to be circulated among the qualified voters  
27 of the city for the signatures of voters who desire to  
28 enable the district to impose an ad valorem tax not to  
29 exceed 15 cents per \$100 valuation of all taxable  
30 property in the district.

31 (c) At the request of petitioners under this  
32 section, a petition for a local option election to  
33 determine whether the district may impose an ad  
34 valorem tax may also express that at the same election  
35 the district shall be authorized to issue bonds  
36 payable in whole or in part from that ad valorem tax as  
37 permitted under Section 6.010.

38 [Sec. 3.002]

39 (c) If the district initially is created without  
40 ad valorem taxing authority, an application for a  
41 petition under Section 3.001(b) seeking an election to  
42 enable the district to impose an ad valorem tax not to  
43 exceed 15 cents per \$100 valuation of all taxable  
44 property in the district must be entitled:  
45 "Application for Local Option Election Petition to  
46 Enable the Temple Health and Bioscience Economic  
47 Development District to Impose an Ad Valorem Tax not to  
48 Exceed 15 Cents per \$100 Valuation of all Taxable

1 Property in the District." The application must  
2 contain a statement just before the signatures of the  
3 applicants that reads substantially as follows: "The  
4 petitioners whose signatures appear on this petition  
5 intend that the Temple Health and Bioscience Economic  
6 Development District be enabled to impose an ad  
7 valorem tax not to exceed 15 cents per \$100 valuation  
8 of all taxable property in the district." If the  
9 petition also seeks an election to authorize the  
10 issuance of bonds by the district payable in whole or  
11 in part from ad valorem taxes, the statement: "and to  
12 Issue Bonds Payable in Whole or in Part from the Ad  
13 Valorem Tax" must be appended to the title specified by  
14 this subsection.

15 Revisor's Note

16 (1) Section 3.001(b), Chapter 777, Acts of the  
17 78th Legislature, Regular Session, 2003, refers to a  
18 petition circulated among "qualified voters" of the  
19 city of Temple. Throughout the subchapter, the  
20 revised law substitutes "registered voters" for  
21 "qualified voters" in connection with eligibility to  
22 sign a petition to conform to Section 277.0021,  
23 Election Code. Section 277.0021, Election Code,  
24 states that a reference in law to a "qualified voter"  
25 in the context of eligibility to sign a petition means  
26 "registered voter."

27 (2) Sections 3.001(b) and 3.002(c), Chapter  
28 777, Acts of the 78th Legislature, Regular Session,  
29 2003, refer to the ability of the voters in the  
30 district to petition the district to impose an ad  
31 valorem tax "[i]f the district is created without the  
32 power to impose an ad valorem tax" and "[i]f the  
33 district initially is created without ad valorem  
34 taxing authority." The revised law omits the quoted  
35 language as executed because on November 4, 2003, a  
36 majority of the registered voters of the proposed  
37 district voted to create the district without the  
38 power to impose an ad valorem tax.

39 (3) Sections 3.001(b) and 3.002(c), Chapter  
40 777, Acts of the 78th Legislature, Regular Session,  
41 2003, refer to an ad valorem tax "not to exceed 15

1 cents per \$100 valuation of all taxable property in the  
2 district." The revised law omits the quoted language  
3 because Section 7.002, Chapter 777, Acts of the 78th  
4 Legislature, Regular Session, 2003, revised in Section  
5 3831.202, provides that the tax rate may not exceed 15  
6 cents.

7 Revised Law

8 Sec. 3831.252. FORM AND COPIES OF PETITION. (a) Each  
9 petition issued under Section 3831.251 must show the date it is  
10 issued by the City of Temple and be serially numbered. Each page of  
11 the petition must bear the same date and serial number.

12 (b) The City of Temple shall supply as many copies of the  
13 petition as required by the applicants but not to exceed more than  
14 one page of the petition for every 10 registered voters in the city.  
15 Each copy shall bear the date, number, and seal on each page as  
16 required on the original petition.

17 (c) The City of Temple shall keep a copy of each petition and  
18 a record of the applicants for that petition. (Acts 78th Leg.,  
19 R.S., Ch. 777, Secs. 3.002(d), 3.003.)

20 Source Law

21 [Sec. 3.002]

22 (d) Each petition must show the date it is  
23 issued by the City of Temple and be serially numbered.  
24 Each page of a petition must bear the same date and  
25 serial number.

26 Sec. 3.003. (a) The City of Temple shall supply  
27 as many copies of the petition as required by the  
28 applicants but not to exceed more than one page of the  
29 petition for every 10 registered voters in the city.  
30 Each copy shall bear the date, number, and seal on each  
31 page as required on the original petition.

32 (b) The City of Temple shall keep a copy of each  
33 petition and a record of the applicants for that  
34 petition.

35 Revised Law

36 Sec. 3831.253. FILING AND VERIFICATION OF PETITION. (a)  
37 The applicants requesting a petition under Section 3831.251 may  
38 file a request with the City of Temple for the petition to be  
39 verified. The applicants must file the request not later than the  
40 120th day after the date the petition is issued by the City of  
41 Temple.

1 (b) If the applicants file a request for verification of the  
2 petition, the City of Temple shall examine the names of the signers  
3 of petitions and determine whether the signers of the petition were  
4 registered voters of the city at the time the petition was issued.

5 (c) The City of Temple shall certify to the city council the  
6 number of registered voters signing the petition not later than the  
7 15th day after the date the request for verification was filed.

8 (d) A signature may not be counted under this section if  
9 there is good reason to believe that:

10 (1) the signature is not the actual signature of the  
11 purported signer;

12 (2) the voter registration certificate number is not  
13 correct;

14 (3) the signature duplicates a name or the handwriting  
15 used in any other signature on the petition; or

16 (4) the signer's residence address cannot be verified.

17 (Acts 78th Leg., R.S., Ch. 777, Sec. 3.004.)

18 Source Law

19 Sec. 3.004. (a) Not later than the 120th day  
20 after the date on which a petition is issued by the  
21 City of Temple under Section 3.002, the applicants  
22 requesting the petition may file a request with the  
23 City of Temple for the petition to be verified under  
24 Subsection (b).

25 (b) If a request for verification is made under  
26 Subsection (a), the City of Temple shall examine the  
27 names of the signers of petitions and determine  
28 whether the signers of the petition were qualified  
29 voters of the city at the time the petition was issued.  
30 The City of Temple shall certify to the city council  
31 the number of qualified voters signing the petition  
32 not later than the 15th day after the date the request  
33 for verification was filed.

34 (c) A signature may not be counted under this  
35 section if there is good reason to believe that:

36 (1) the signature is not the actual  
37 signature of the purported signer;

38 (2) the voter registration certificate  
39 number is not correct;

40 (3) the signature duplicates a name or the  
41 handwriting used in any other signature on the  
42 petition; or

43 (4) the signer's residence address cannot  
44 be verified.

45 Revised Law

46 Sec. 3831.254. ELECTION ORDER. (a) Not later than the  
47 date of the second regular session of the city council convened

1 after a petition has been verified under Section 3831.253, the city  
2 council shall order an election to be held in the district on the  
3 proposition stated in the petition if the petition contains:

4 (1) the signatures of a number of registered voters of  
5 the city of Temple equal to at least 10 percent of the registered  
6 voters of the city who voted in the most recent general election in  
7 the city;

8 (2) a notation showing the residence address of each  
9 signer;

10 (3) each signer's voter registration certificate  
11 number; and

12 (4) each signer's printed name.

13 (b) The following shall be entered in the city council  
14 minutes:

15 (1) the dates a petition is presented to and verified  
16 by the City of Temple;

17 (2) the names of the signers; and

18 (3) the action taken on the petition.

19 (c) The order issued under Subsection (a) must state that  
20 the district's boundaries are coextensive with the boundaries of  
21 the city of Temple and that the election will be held within those  
22 boundaries. (Acts 78th Leg., R.S., Ch. 777, Secs. 3.005,  
23 3.006(b).)

24 Source Law

25 Sec. 3.005. (a) Not later than the date of the  
26 second regular session of the city council convened  
27 after a petition has been verified under Section  
28 3.004, the city council shall order a local option  
29 election to be held on the issue set out in the  
30 petition if the petition contains the following:

31 (1) the actual signatures of a number of  
32 qualified voters of the City of Temple equal to at  
33 least 10 percent of the registered voters of the city  
34 who voted in the most recent general election in the  
35 city;

36 (2) a notation showing the residence  
37 address of each signer;

38 (3) each signer's voter registration  
39 certificate number; and

40 (4) each signer's printed name.

41 (b) The following shall be entered in the city  
42 council minutes:

43 (1) the dates a petition is presented to  
44 and verified by the City of Temple;

- 1 (2) the names of the signers; and  
2 (3) the action taken on the petition.

3 [Sec. 3.006]

4 (b) The order calling the election must:

5 (1) define the district boundaries to be  
6 the boundaries of the City of Temple as the boundaries  
7 of the city are adjusted from time to time by the city;  
8 and

9 (2) call for the election to be held within  
10 those boundaries.

11 Revisor's Note

12 Section 3.005(a), Chapter 777, Acts of the 78th  
13 Legislature, Regular Session, 2003, refers to "actual  
14 signatures." The revised law omits "actual" because  
15 it does not add to the clear meaning of the law.  
16 "Signatures" means "actual signatures."

17 Revised Law

18 Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION;  
19 RESULTS. (a) The city council shall give notice of an election  
20 ordered under Section 3831.254 by publishing a substantial copy of  
21 the election order once a week for two consecutive weeks in a  
22 newspaper with general circulation in the city of Temple.

23 (b) The first publication of the notice must appear before  
24 the 14th day before the date set for the election. If the election  
25 order includes the issue of whether the district may issue  
26 obligations, the first publication of the notice must appear before  
27 the 31st day before the date set for the election.

28 (c) The ballot for an election held under this section must  
29 be printed to permit voting for or against the following  
30 proposition, as appropriate according to the verified petition:

31 (1) "Authorizing the imposition of an ad valorem tax  
32 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
33 property in the district"; or

34 (2) "Authorizing the imposition of an ad valorem tax  
35 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
36 property in the district and to issue bonds payable in whole or in  
37 part from the ad valorem tax."

38 (d) The district may impose the tax if a majority of the  
39 district voters voting at the election favor the proposition stated



1 in Subsection (c)(1) or (2). The district may issue obligations  
2 payable wholly or partly from ad valorem taxes if a majority of the  
3 district voters voting at the election favor the proposition stated  
4 in Subsection (c)(2).

5 (e) If a majority of the district voters voting at the  
6 election vote against the proposition, another election on the  
7 proposition may not be held before the first anniversary of the date  
8 of the most recent election concerning the proposition.

9 (f) The City of Temple shall hold an election provided under  
10 this section on the earliest uniform election date under Section  
11 41.001, Election Code, that occurs after the city council adopts  
12 the order calling the election. (Acts 78th Leg., R.S., Ch. 777,  
13 Secs. 3.006(a), (c) (part), (d) (part), (e) (part), (f).)

14 Source Law

15 Sec. 3.006. (a) If the requirements to order an  
16 election under Section 3.005 are met, the city council  
17 shall give notice of the election on the issue set out  
18 in the verified petition by publishing a substantial  
19 copy of the election order once a week for two  
20 consecutive weeks in a newspaper with general  
21 circulation in the City of Temple. The first  
22 publication must appear before the 14th day before the  
23 date set for the election. If the election order  
24 includes the issue of whether the district may issue  
25 bonds, the first publication must appear before the  
26 31st day before the date set for the election.

27 (c) The ballot at an election held under this  
28 section must be printed to permit voting for or against  
29 the proposition set forth below that was covered by the  
30 verified petition:

31 . . .  
32 (4) "Authorizing the imposition of an ad  
33 valorem tax not to exceed the rate of 15 cents per \$100  
34 valuation of all taxable property in the district"; or

35 (5) "Authorizing the imposition of an ad  
36 valorem tax not to exceed the rate of 15 cents per \$100  
37 valuation of all taxable property in the district and  
38 to issue bonds payable in whole or in part from the ad  
39 valorem tax."

40 (d) . . . The district may impose an ad valorem  
41 tax not to exceed the rate of 15 cents per \$100  
42 valuation of all taxable property in the district if a  
43 majority of the registered voters of the district  
44 voting at the election favor its imposition. The  
45 district may issue bonds payable wholly or partially  
46 from ad valorem taxes if a majority of the registered  
47 voters of the district voting at the election favor the  
48 authorization.

49 (e) . . . If a majority of the registered  
50 voters of the district voting at the election to  
51 establish the power of the district to impose an ad  
52 valorem tax vote against the power, another election  
53 on the question may not be held before the first

1 anniversary of the date of the most recent election  
2 concerning the question. If a majority of the  
3 registered voters of the district voting at the  
4 election to authorize the district to issue bonds  
5 payable wholly or partially from ad valorem taxes vote  
6 against the authorization, another election on the  
7 question may not be held before the first anniversary  
8 of the date of the most recent election concerning the  
9 question.

10 (f) The City of Temple shall hold an election  
11 provided under this section on the earliest of the  
12 uniform election dates under Section 41.001, Election  
13 Code, to occur following the adoption of the order  
14 calling the election by the city council.

15 Revisor's Note

16 Sections 3.006(d) and (e), Chapter 777, Acts of  
17 the 78th Legislature, Regular Session, 2003, refer to  
18 "registered voters of the district voting at the  
19 election." The revised law omits "registered" as  
20 unnecessary because it duplicates general law. Section  
21 11.001(a)(1), Election Code, provides that to be  
22 eligible to vote in an election a person must be a  
23 qualified voter as defined by Section 11.002, Election  
24 Code. The definition of "qualified voter" under  
25 Section 11.002 includes the requirement that the  
26 person be a registered voter.

27 Revisor's Note  
28 (End of Subchapter)

29 (1) Sections 3.001, 3.002, and 3.006, Chapter  
30 777, Acts of the 78th Legislature, Regular Session,  
31 2003, contain provisions outlining procedures to be  
32 used to create the district with or without the power  
33 to impose an ad valorem tax. The revised law omits  
34 those provisions as executed for the reason stated in  
35 Revisor's Note (2) to Section 3831.251. The omitted  
36 law reads:

37 Sec. 3.001. (a) If 10 or more  
38 qualified voters of the City of Temple file  
39 a written application with the city, the  
40 city shall issue to the applicants a  
41 petition to be circulated among the  
42 qualified voters of the city for the  
43 signatures of voters who desire that a local  
44 option election be called in the city to  
45 determine whether to create the district:

46 (1) with the power to impose an  
47 ad valorem tax not to exceed 15 cents per

1 \$100 valuation of all taxable property in  
2 the district; or  
3 (2) without the power to impose  
4 an ad valorem tax.

5 Sec. 3.002. (a) An application for a  
6 petition under Section 3.001 to create the  
7 district with the power to impose an ad  
8 valorem tax must be entitled: "Application  
9 for Local Option Election Petition to  
10 Create the Temple Health and Bioscience  
11 Economic Development District with the  
12 Power to Impose an Ad Valorem Tax not to  
13 Exceed 15 Cents per \$100 Valuation of all  
14 Taxable Property in the District." The  
15 application must contain a statement just  
16 before the signatures of the applicants  
17 that reads substantially as follows: "The  
18 petitioners whose signatures appear on this  
19 petition intend that the Temple Health and  
20 Bioscience Economic Development District  
21 referred to in the issue set out above be  
22 created." If the petition also seeks an  
23 election to authorize the issuance of bonds  
24 by the district payable in whole or in part  
25 from ad valorem taxes, the statement: "and  
26 to Issue Bonds Payable in Whole or in Part  
27 from the Ad Valorem Tax" must be appended to  
28 the end of the title specified in this  
29 subsection.

30 (b) An application for a petition  
31 under Section 3.001(a) to create the  
32 district without the power to impose the ad  
33 valorem tax must be entitled: "Application  
34 for Local Option Election Petition to  
35 Create the Temple Health and Bioscience  
36 Economic Development District." The  
37 application must contain a statement just  
38 before the signatures of the applicants  
39 that reads substantially as follows: "The  
40 petitioners whose signatures appear on this  
41 petition intend that the Temple Health and  
42 Bioscience Economic Development District  
43 referred to in the issue set out above be  
44 created."

45 [Sec. 3.006]

46 (c) [The ballot at an election held  
47 under this section must be printed to permit  
48 voting for or against the proposition set  
49 forth below that was covered by the verified  
50 petition:]

51 (1) "Authorizing the creation  
52 of the Temple Health and Bioscience  
53 Economic Development District and the  
54 imposition of an ad valorem tax not to  
55 exceed the rate of 15 cents per \$100  
56 valuation of all taxable property in the  
57 district";

58 (2) "Authorizing the creation  
59 of the Temple Health and Bioscience  
60 Economic Development District and the  
61 imposition of an ad valorem tax not to  
62 exceed the rate of 15 cents per \$100  
63 valuation of all taxable property in the  
64 district and to issue bonds payable in whole  
65 or in part from the ad valorem tax";

66 (3) "Authorizing the creation  
67 of the Temple Health and Bioscience

1 Economic Development District";

2  
3 (d) The district is created if a  
4 majority of the registered voters of the  
5 proposed district voting at the election  
6 favor creation. . . .

7 (e) If a majority of the registered  
8 voters of the proposed district voting at  
9 the election to create the district vote  
10 against creating the district, another  
11 election on the question of creating the  
12 district may not be held before the first  
13 anniversary of the date of the most recent  
14 election concerning the creation. . . .

15 (2) Section 3.007, Chapter 777, Acts of the 78th  
16 Legislature, Regular Session, 2003, requires the city  
17 council by resolution to appoint temporary directors  
18 and set the terms for those directors. The revised law  
19 omits that section as executed. The omitted law reads:

20 Sec. 3.007. (a) After creation of  
21 the district under Section 3.006(d), the  
22 city council by resolution shall appoint  
23 seven directors to serve on a temporary  
24 board.

25 (b) In the resolution, the city  
26 council shall stagger the terms of the  
27 directors appropriately so that four  
28 directors serve until directors are elected  
29 under Section 4.003(1) and three directors  
30 serve until directors are elected under  
31 Section 4.003(2).

32 [Sections 3831.256-3831.300 reserved for expansion]

33 SUBCHAPTER G. DISSOLUTION OF DISTRICT

34 Revised Law

35 Sec. 3831.301. DISSOLUTION OF DISTRICT. The district may  
36 be dissolved only as provided by this subchapter. (Acts 78th Leg.,  
37 R.S., Ch. 777, Sec. 8.001.)

38 Source Law

39 Sec. 8.001. The district may be dissolved only  
40 as provided by this article.

41 Revised Law

42 Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL. (a)  
43 The board may petition the city council to dissolve the district if  
44 the board finds that the district:

45 (1) has not issued obligations under Section 3831.160  
46 and that the purposes of the district are impracticable, or  
47 reasonably and economically cannot be successful or accomplished;

1 or

2 (2) has paid, or otherwise provided for payment of,  
3 all obligations issued under Section 3831.160 and that the district  
4 purposes have been accomplished.

5 (b) On receipt of the petition, the city council shall hold  
6 a public hearing to determine whether the dissolution of the  
7 district serves the best interests of the City of Temple and of the  
8 residents of the city.

9 (c) After the hearing, the city council shall:

10 (1) enter in the council records the appropriate  
11 findings and an order dissolving the district if the city council  
12 unanimously determines that the best interests of the City of  
13 Temple and of the residents of the city will be served by dissolving  
14 the district; or

15 (2) enter an order providing that the district is not  
16 dissolved if the city council does not unanimously determine that  
17 the best interests of the City of Temple and of the residents of the  
18 city will be served by dissolving the district.

19 (d) On dissolution of the district under this section:

20 (1) all money and other property of the district are  
21 transferred to the City of Temple; and

22 (2) the City of Temple shall assume any remaining  
23 district contracts or other district obligations. (Acts 78th Leg.,  
24 R.S., Ch. 777, Sec. 8.002.)

25 Source Law

26 Sec. 8.002. (a) The board may petition the city  
27 council to dissolve the district if the board finds  
28 that the district:

29 (1) has not issued bonds or other  
30 obligations under Section 6.010 and that the purposes  
31 of the district are impracticable, or reasonably and  
32 economically cannot be successful or accomplished; or

33 (2) has paid, or otherwise provided for  
34 payment of, all bonds and other obligations issued  
35 under Section 6.010 and that the purposes of the  
36 district have been accomplished.

37 (b) On receipt of a petition under Subsection  
38 (a), the city council shall hold a public hearing to  
39 determine whether the dissolution of the district  
40 serves the best interests of the City of Temple and the  
41 residents of the city.

42 (c) After the hearing, the city council shall:

43 (1) enter in its records the appropriate

1 findings and order dissolving of the district if the  
2 city council unanimously determines that the best  
3 interests of the City of Temple and the residents of  
4 the city will be served by dissolving the district; or  
5 (2) enter its order providing that the  
6 district has not been dissolved if the city council  
7 does not unanimously determine that the best interests  
8 of the City of Temple and the residents of the city  
9 will be served by dissolving the district.

10 (d) On dissolution of the district under this  
11 section:

12 (1) all money and other property of the  
13 district is transferred to the City of Temple; and

14 (2) the City of Temple shall assume any  
15 remaining contracts or other obligations of the  
16 district.

17 Revised Law

18 Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH  
19 CITY. (a) The district may be dissolved by agreement between the  
20 city council and the board.

21 (b) On dissolution of the district under this section:

22 (1) all money and other property of the district are  
23 transferred to the City of Temple; and

24 (2) the City of Temple shall assume the district's  
25 responsibilities regarding all district contracts, debts, and  
26 obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.003.)

27 Source Law

28 Sec. 8.003. (a) The district may be dissolved  
29 by agreement between the city council and the board.

30 (b) On dissolution of the district under this  
31 section:

32 (1) all money and other property of the  
33 district is transferred to the City of Temple; and

34 (2) the City of Temple shall assume the  
35 district's responsibilities regarding all district  
36 contracts, debts, bonds, and other obligations.

37 Revised Law

38 Sec. 3831.304. EFFECT OF DISSOLUTION ON TAXES. On  
39 dissolution of the district, any taxes imposed by the district are  
40 abolished. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.004.)

41 Source Law

42 Sec. 8.004. On dissolution of the district, any  
43 taxes imposed by the district are abolished.

44 CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

45 SUBCHAPTER A. GENERAL PROVISIONS

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31		CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1	
32		SUBCHAPTER A. GENERAL PROVISIONS	
33		<u>Revised Law</u>	
34	Sec. 3832.001.	DEFINITIONS. In this chapter:	

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

3 (2) "District" means Waller County Road Improvement  
4 District No. 1. (Acts 78th Leg., R.S., Ch. 1157, Sec. 3.)

5 Source Law

6 Sec. 3. In this Act:  
7 (1) "Board" means the board of directors  
8 of the district.  
9 (2) "District" means Waller County Road  
10 Improvement District No. 1.

11 Revised Law

12 Sec. 3832.002. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO.  
13 1. Waller County Road Improvement District No. 1 is a special  
14 district created under Section 52, Article III, and Section 59,  
15 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1157,  
16 Sec. 1(a).)

17 Source Law

18 Sec. 1. (a) Waller County Road Improvement  
19 District No. 1 is created as a special district under  
20 Section 52, Article III, and Section 59, Article XVI,  
21 Texas Constitution.

22 Revised Law

23 Sec. 3832.003. PURPOSE; DECLARATION OF INTENT. (a) The  
24 creation of the district is essential to accomplish the purposes of  
25 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
26 Texas Constitution, and other public purposes stated in this  
27 chapter.

28 (b) The creation of the district is necessary to promote,  
29 develop, encourage, and maintain employment, commerce,  
30 transportation, housing, tourism, recreation, the arts,  
31 entertainment, economic development, safety, and the public  
32 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
33 1157, Sec. 2.)

34 Source Law

35 Sec. 2. (a) The creation of the district is  
36 necessary to promote, develop, encourage, and maintain  
37 transportation, safety, employment, commerce,  
38 housing, tourism, recreation, the arts,  
39 entertainment, economic development, and the public  
40 welfare in the area of the district.  
41 (b) The creation of the district is essential to



1 accomplish the purposes of Sections 52 and 52-a,  
2 Article III, and Section 59, Article XVI, Texas  
3 Constitution, and other public purposes stated in this  
4 Act.

5 Revised Law

6 Sec. 3832.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
7 The district is created to serve a public use and benefit.

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

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

15 (1) further the public purposes of development and  
16 diversification of the economy of the state;

17 (2) eliminate unemployment and underemployment; and

18 (3) develop or expand transportation and commerce.

19 (d) The present and prospective traffic congestion in the  
20 district and the safety of pedestrians and the limited availability  
21 of funds require the promotion and development of public  
22 transportation and pedestrian facilities and systems, and the  
23 district will serve the public purpose of securing expanded and  
24 improved transportation and pedestrian facilities and systems.

25 (e) The district will:

26 (1) promote the health, safety, and general welfare of  
27 residents, employers, employees, visitors, and consumers in the  
28 district, and of the public;

29 (2) provide needed funding to preserve, maintain, and  
30 enhance the economic health and vitality of the district as a  
31 community; and

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

36 (f) Pedestrian ways along or across a street, whether at

1 grade or above or below the surface, and street lighting, street  
2 landscaping, and street art objects are parts of and necessary  
3 components of a street and are considered to be a street or road  
4 improvement.

5 (g) The district will not act as the agent or  
6 instrumentality of any private interest even though the district  
7 will benefit many private interests, as well as the public. (Acts  
8 78th Leg., R.S., Ch. 1157, Sec. 6.)

9 Source Law

10 Sec. 6. (a) The district is created to serve a  
11 public use and benefit.

12 (b) All land and other property included in the  
13 district will benefit from the improvements and  
14 services to be provided by the district under powers  
15 conferred by Sections 52 and 52-a, Article III, and  
16 Section 59, Article XVI, Texas Constitution, and other  
17 powers granted under this Act.

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

20 (1) further the public purposes of the  
21 development and diversification of the economy of the  
22 state;

23 (2) eliminate unemployment and  
24 underemployment; and

25 (3) develop or expand transportation and  
26 commerce.

27 (d) The present and prospective traffic  
28 congestion in the district and the safety of  
29 pedestrians and the limited availability of funds  
30 require the promotion and development of public  
31 transportation and pedestrian facilities and systems,  
32 and the district will serve the public purpose of  
33 securing expanded and improved transportation and  
34 pedestrian facilities and systems.

35 (e) The district will:

36 (1) promote the health, safety, and  
37 general welfare of residents, employers, employees,  
38 visitors, and consumers in the district and of the  
39 public;

40 (2) provide needed funding to preserve,  
41 maintain, and enhance the economic health and vitality  
42 of the district as a community; and

43 (3) promote the health, safety, welfare,  
44 and enjoyment of the public by providing pedestrian  
45 ways and by landscaping and developing certain areas  
46 in the district, which are necessary for the  
47 restoration, preservation, and enhancement of scenic  
48 beauty.

49 (f) Pedestrian ways along or across a street,  
50 whether at grade or above or below the surface, and  
51 street lighting, street landscaping, and street art  
52 objects are parts of and necessary components of a  
53 street and are considered to be a street or road  
54 improvement.

55 (g) The district will not act as the agent or  
56 instrumentality of any private interest even though  
57 the district will benefit many private interests as  
58 well as the public.

1 Revised Law

2 Sec. 3832.005. DISTRICT TERRITORY. (a) The district is  
3 composed of the territory described by Section 4, Chapter 1157,  
4 Acts of the 78th Legislature, Regular Session, 2003, as that  
5 territory may have been modified under:

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

7 (2) other law.

8 (b) The boundaries and field notes of the district contained  
9 in Section 4, Chapter 1157, Acts of the 78th Legislature, Regular  
10 Session, 2003, form a closure. A mistake made in the field notes or  
11 in copying the field notes in the legislative process does not in  
12 any way affect the district's:

13 (1) organization, existence, or validity;

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

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

18 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
19 1157, Sec. 5; New.)

20 Source Law

21 Sec. 5. The boundaries and field notes of the  
22 district form a closure. A mistake in the field notes  
23 or in copying the field notes in the legislative  
24 process does not in any way affect the district's:

25 (1) organization, existence, or validity;

26 (2) right to issue any type of bond for the  
27 purposes for which the district is created or to pay  
28 the principal of and interest on a bond;

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

31 (4) legality or operation.

32 Revisor's Note

33 The revision of the law governing the district  
34 does not revise the statutory language describing the  
35 territory of the district to avoid the lengthy  
36 recitation of the description and because that  
37 description may not be accurate on the effective date  
38 of the revision or at the time of a later reading. For  
39 the reader's convenience, the revised law includes a

1 reference to the statutory description of the  
2 district's territory and references to statutory  
3 authority to change the district's territory under  
4 Subchapter J, Chapter 49, Water Code, applicable to  
5 the district under Sections 49.001 and 49.002 of that  
6 chapter. The revised law also includes a reference to  
7 the general authority of the legislature to enact  
8 other laws to change the district's territory.

9 Revised Law

10 Sec. 3832.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
11 chapter shall be construed liberally in conformity with the  
12 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
13 R.S., Ch. 1157, Sec. 8(a).)

14 Source Law

15 Sec. 8. (a) This Act shall be liberally  
16 construed in conformity with the findings and purposes  
17 set forth in this Act.

18 Revised Law

19 Sec. 3832.007. EFFECT ON BROOKSHIRE-KATY DRAINAGE  
20 DISTRICT. The powers granted by this chapter do not affect the  
21 powers of the Brookshire-Katy Drainage District of Waller County.  
22 (Acts 78th Leg., R.S., Ch. 1157, Sec. 11(b).)

23 Source Law

24 (b) Authority granted by this Act shall in no  
25 way affect or impact the powers and authority of the  
26 Brookshire-Katy Drainage District of Waller County.

27 Revisor's Note

28 Section 11(b), Chapter 1157, Acts of the 78th  
29 Legislature, Regular Session, 2003, refers to  
30 "authority" and "powers and authority." The revised  
31 law substitutes "powers" for "authority" because  
32 "powers" is the more commonly used term. The revised  
33 law omits "authority" from "powers and authority"  
34 because the meaning of "authority" is included in the  
35 meaning of "powers."

1 Revisor's Note  
2 (End of Subchapter)

3 (1) Section 1(b), Chapter 1157, Acts of the 78th  
4 Legislature, Regular Session, 2003, provides that the  
5 board may change the district's name by resolution.  
6 The revised law omits the provision because it  
7 duplicates Section 375.096(d), Local Government Code.  
8 Section 11(a)(2), Chapter 1157, Acts of the 78th  
9 Legislature, Regular Session, 2003 (revised in this  
10 chapter as Section 3832.101(2)), provides that the  
11 district has the powers provided by Chapter 375, Local  
12 Government Code. The omitted law reads:

13 (b) The board by resolution may  
14 change the district's name.

15 (2) Section 7, Chapter 1157, Acts of the 78th  
16 Legislature, Regular Session, 2003, provides that the  
17 Code Construction Act (Chapter 311, Government Code)  
18 applies to the act. The revised law omits that  
19 provision because it duplicates Section 311.002,  
20 Government Code (Code Construction Act), applicable to  
21 the revised law. The omitted law reads:

22 Sec. 7. Chapter 311, Government Code  
23 (Code Construction Act), applies to this  
24 Act.

25 (3) Section 8(b), Chapter 1157, Acts of the 78th  
26 Legislature, Regular Session, 2003, provides that the  
27 act prevails over general law in case of a conflict.  
28 The revised law omits that provision because it  
29 duplicates Section 311.026, Government Code (Code  
30 Construction Act), applicable to the revised law. The  
31 omitted law reads:

32 (b) If any provision of the general  
33 law conflicts with this Act, this Act  
34 prevails.

35 [Sections 3832.008-3832.050 reserved for expansion]

36 SUBCHAPTER B. BOARD OF DIRECTORS

37 Revised Law

38 Sec. 3832.051. COMPOSITION; TERMS. The district is

1 governed by a board of five elected directors. Directors serve  
2 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1157,  
3 Sec. 9(a).)

4 Source Law

5 Sec. 9. (a) The district is governed by a board  
6 of five elected directors who serve staggered terms of  
7 four years.

8 Revised Law

9 Sec. 3832.052. QUALIFICATIONS. (a) A person must meet the  
10 qualifications of Section 375.063, Local Government Code, to serve  
11 as a district director.

12 (b) Section 49.052, Water Code, does not apply to district  
13 directors. (Acts 78th Leg., R.S., Ch. 1157, Sec. 10.)

14 Source Law

15 Sec. 10. (a) A person must meet the  
16 qualifications of Section 375.063, Local Government  
17 Code, to serve as a director of the district.

18 (b) Section 49.052, Water Code, does not apply  
19 to directors of the district.

20 Revised Law

21 Sec. 3832.053. ELECTION DATE. Elections for directors  
22 shall be held on the uniform election date in May in even-numbered  
23 years. (Acts 78th Leg., R.S., Ch. 1157, Sec. 9(b).)

24 Source Law

25 (b) Elections for directors shall be held on the  
26 uniform election date in May in even-numbered years.

27 Revised Law

28 Sec. 3832.054. INITIAL DIRECTORS. (a) The initial board  
29 consists of the following persons:

- 30 (1) Julie Magness;  
31 (2) Craig Artze;  
32 (3) Julie Crum;  
33 (4) Gary Tankersley; and  
34 (5) Jennifer Kramer.

35 (b) Of the initial directors, the terms of the first three  
36 directors named in Subsection (a) expire on June 1, 2006, and the  
37 terms of the last two directors named in Subsection (a) expire on  
38 June 1, 2004.

1 (c) On the uniform election date in May 2004, the board  
2 shall hold an election for the directors whose terms expire on June  
3 1, 2004. On the uniform election date in May 2006, the board shall  
4 hold an election for the directors whose terms expire on June 1,  
5 2006.

6 (d) This section expires September 1, 2006. (Acts 78th  
7 Leg., R.S., Ch. 1157, Sec. 19.)

8 Source Law

9 Sec. 19. (a) The initial board consists of the  
10 following persons:

- 11 (1) Julie Magness;
- 12 (2) Craig Artze;
- 13 (3) Julie Crum;
- 14 (4) Gary Tankersley; and
- 15 (5) Jennifer Kramer.

16 (b) Of the initial directors, the terms of the  
17 first three directors named in Subsection (a) expire  
18 on June 1, 2006, and the terms of the last two  
19 directors named in Subsection (a) expire on June 1,  
20 2004.

21 (c) On the uniform election date in May 2004,  
22 the board shall hold an election for the directors  
23 whose terms expire on June 1, 2004. On the uniform  
24 election date in May 2006, the board shall hold an  
25 election for the directors whose terms expire on June  
26 1, 2006.

27 (d) This section expires September 1, 2006.

28 [Sections 3832.055-3832.100 reserved for expansion]

29 SUBCHAPTER C. POWERS AND DUTIES

30 Revised Law

31 Sec. 3832.101. POWERS OF DISTRICT. The district has all  
32 powers provided by the general laws on road districts and road  
33 utility districts created under Section 52, Article III, Texas  
34 Constitution, and conservation and reclamation districts and  
35 municipal management districts created under Section 59, Article  
36 XVI, Texas Constitution, including:

- 37 (1) Chapters 257 and 441, Transportation Code;
- 38 (2) Chapter 375, Local Government Code; and
- 39 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,

40 R.S., Ch. 1157, Sec. 11(a).)

41 Source Law

42 Sec. 11. (a) The district has all powers and  
43 authority provided by the general laws on road  
44 districts and road utility districts created under  
45 Section 52, Article III, Texas Constitution, and

1 conservation and reclamation districts and municipal  
2 management districts created under Section 59, Article  
3 XVI, Texas Constitution, including:

- 4 (1) Chapters 257 and 441, Transportation  
5 Code;  
6 (2) Chapter 375, Local Government Code;  
7 and  
8 (3) Chapters 49 and 54, Water Code.

9 Revisor's Note

10 Section 11(a), Chapter 1157, Acts of the 78th  
11 Legislature, Regular Session, 2003, refers to "powers  
12 and authority." The revised law omits "authority"  
13 because, in this context, the meaning of "authority"  
14 is included in the meaning of "powers."

15 Revised Law

16 Sec. 3832.102. AGREEMENTS; GRANTS. (a) The district may  
17 make an agreement with or accept a gift, grant, or loan from any  
18 person.

19 (b) The implementation of a project is a governmental  
20 function or service for the purposes of Chapter 791, Government  
21 Code. (Acts 78th Leg., R.S., Ch. 1157, Sec. 12.)

22 Source Law

23 Sec. 12. (a) The district may make an agreement  
24 with or accept a gift, grant, or loan from any person.

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

28 Revised Law

29 Sec. 3832.103. LAW ENFORCEMENT SERVICES. To protect the  
30 public interest, the district may contract with a municipality or  
31 county to provide law enforcement services in the district for a  
32 fee. (Acts 78th Leg., R.S., Ch. 1157, Sec. 13.)

33 Source Law

34 Sec. 13. To protect the public interest, the  
35 district may contract with a municipality or county to  
36 provide law enforcement services in the district for a  
37 fee.

38 Revised Law

39 Sec. 3832.104. UTILITIES. (a) The district may not impose  
40 an impact fee or assessment on the property, including the  
41 equipment, rights-of-way, facilities, or improvements, of:

- 42 (1) an electric utility or a power generation company



1 as defined by Section 31.002, Utilities Code;

2 (2) a gas utility as defined by Section 101.003 or  
3 121.001, Utilities Code;

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

6 (4) a cable operator as defined by 47 U.S.C. Section  
7 522, as amended.

8 (b) The district shall bear the sole expense of the  
9 relocation, rerouting, or removal of electric, gas, water, sewer,  
10 communications, or other public utilities as required or requested  
11 by the district in the exercise of its powers under this chapter.  
12 (Acts 78th Leg., R.S., Ch. 1157, Sec. 20.)

13 Source Law

14 Sec. 20. The district may not impose an impact  
15 fee or assessment on the property, equipment,  
16 rights-of-way, facilities, or improvements of an  
17 electric utility or a power generation company as  
18 defined by Section 31.002, Utilities Code, a  
19 telecommunications provider as defined by Section  
20 51.002, Utilities Code, a cable operator as defined by  
21 47 U.S.C. Section 522, as amended, or a gas utility as  
22 defined by Section 101.003 or 121.001, Utilities Code.  
23 If the district, in the exercise of the powers  
24 conferred upon it herein, requires or requests the  
25 relocation, rerouting, or removal of electric, gas,  
26 water, sewer, communications, or other public  
27 utilities, the relocation, rerouting, or removal shall  
28 be at the sole expense of the district.

29 [Sections 3832.105-3832.150 reserved for expansion]

30 SUBCHAPTER D. FINANCIAL PROVISIONS

31 Revised Law

32 Sec. 3832.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
33 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
34 tax, assessment, or impact fee and use the proceeds of the tax,  
35 assessment, or impact fee for:

36 (1) any district purpose, including the payment of  
37 debt or other contractual obligations; or

38 (2) the payment of maintenance and operating expenses.

39 (Acts 78th Leg., R.S., Ch. 1157, Sec. 14.)

40 Source Law

41 Sec. 14. The district may impose an ad valorem  
42 tax, assessment, or impact fee and use the proceeds of

1 the tax, assessment, or impact fee for any district  
2 purpose, including the payment of debt or other  
3 contractual obligations, or the payment of maintenance  
4 and operating expenses.

5 Revised Law

6 Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
7 district must hold an election in the manner provided by Chapters 49  
8 and 54, Water Code, to obtain voter approval before the district  
9 imposes a maintenance tax or issues bonds payable from ad valorem  
10 taxes.

11 (b) The board may include more than one purpose in a single  
12 proposition at an election. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
13 15.)

14 Source Law

15 Sec. 15. (a) The district must hold an election  
16 in the manner provided by Chapters 49 and 54, Water  
17 Code, to obtain voter approval before the district may  
18 impose a maintenance tax or issue bonds payable from ad  
19 valorem taxes.

20 (b) The board may include more than one purpose  
21 in a single proposition at an election.

22 Revised Law

23 Sec. 3832.153. MAINTENANCE AND OPERATION TAX. (a) The  
24 district may impose an annual ad valorem tax on taxable property in  
25 the district for any district purpose, including to:

26 (1) maintain and operate the district, including  
27 improvements constructed or acquired by the district; or

28 (2) provide a service.

29 (b) The board shall determine the tax rate. (Acts 78th  
30 Leg., R.S., Ch. 1157, Sec. 16.)

31 Source Law

32 Sec. 16. (a) The district may impose an annual  
33 ad valorem tax on taxable property in the district for  
34 any district purpose, including to:

35 (1) maintain and operate the district,  
36 including improvements constructed or acquired by the  
37 district; or

38 (2) provide a service.

39 (b) The board shall determine the tax rate.

40 Revised Law

41 Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
42 The board by resolution may impose an assessment for any purpose  
43 authorized by this chapter.

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

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

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

11 (3) are the personal liability of and a charge against  
12 the owners of the property even if the owners are not named in the  
13 assessment proceeding.

14 (c) The lien is effective from the date of the board's  
15 resolution imposing the assessment until the date the assessment is  
16 paid. The board may enforce the lien in the same manner that the  
17 board may enforce an ad valorem tax lien against real property.  
18 (Acts 78th Leg., R.S., Ch. 1157, Secs. 17(a), (c), (d).)

19 Source Law

20 Sec. 17. (a) The board by resolution may impose  
21 and collect an assessment for any purpose authorized  
22 by this Act.

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

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

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

34 (3) are the personal liability of and  
35 charge against the owners of the property even if the  
36 owners are not named in the assessment proceeding.

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

42 Revisor's Note

43 Section 17(a), Chapter 1157, Acts of the 78th  
44 Legislature, Regular Session, 2003, provides that the

1 board by resolution may "impose and collect" an  
2 assessment. The revised law omits the reference to the  
3 authority to collect the assessment because the  
4 authority to impose an assessment necessarily implies  
5 the authority to collect it.

6 Revised Law

7 Sec. 3832.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
8 IMPROVEMENTS. (a) The board may not finance a service or  
9 improvement project through an assessment under this chapter unless  
10 a written petition requesting that service or improvement has been  
11 filed with the board.

12 (b) The petition must be signed by:

13 (1) the owners of a majority of the assessed value of  
14 real property in the district that will be subject to the assessment  
15 according to the most recent certified tax appraisal roll for the  
16 county in which the property is located; or

17 (2) at least 25 owners of land in the district that  
18 will be subject to the assessment, if more than 25 persons own land  
19 in the district that will be subject to the assessment according to  
20 the most recent certified tax appraisal roll for the county in which  
21 the property is located. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
22 17(b).)

23 Source Law

24 (b) The board may not finance a service or  
25 improvement project through an assessment under this  
26 Act unless a written petition requesting that service  
27 or improvement has been filed with the board. The  
28 petition must be signed by:

29 (1) the owners of a majority of the  
30 assessed value of real property in the district that  
31 will be subject to the assessment according to the most  
32 recent certified tax appraisal roll for the county in  
33 which the property is located; or

34 (2) at least 25 owners of land in the  
35 district that will be subject to the assessment, if  
36 more than 25 persons own land in the district that will  
37 be subject to the assessment according to the most  
38 recent certified tax appraisal roll for the county in  
39 which the property is located.

40 Revised Law

41 Sec. 3832.156. BONDS AND OTHER OBLIGATIONS. (a) The  
42 district may issue bonds or other obligations payable wholly or

1 partly from ad valorem taxes, assessments, impact fees, revenue,  
2 grants, or other money of the district, or any combination of those  
3 sources of money, to pay for any authorized purpose of the district.

4 (b) In exercising the district's power to borrow, the  
5 district may issue a bond or other obligation in the form of a bond,  
6 note, certificate of participation or other instrument evidencing a  
7 proportionate interest in payments to be made by the district, or  
8 other type of obligation. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
9 18.)

10 Source Law

11 Sec. 18. (a) The district may issue bonds or  
12 other obligations payable in whole or in part from ad  
13 valorem taxes, assessments, impact fees, revenue,  
14 grants, or other money of the district, or any  
15 combination of those sources of money, to pay for any  
16 authorized purpose of the district.

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

23 Revisor's Note  
24 (End of Chapter)

25 Section 21, Chapter 1157, Acts of the 78th  
26 Legislature, Regular Session, 2003, recites  
27 legislative findings regarding procedural  
28 requirements for the creation of the district under  
29 the constitution and other laws and rules, including  
30 proper legal notice, filing of recommendations, and  
31 consent by other governmental entities to the creation  
32 of the district. The revised law omits these  
33 provisions as executed. The omitted law reads:

34 Sec. 21. The legislature finds that:

35 (1) proper and legal notice of  
36 the intention to introduce this Act,  
37 setting forth the general substance of this  
38 Act, has been published as provided by law,  
39 and the notice and a copy of this Act have  
40 been furnished to all persons, agencies,  
41 officials, or entities to which they are  
42 required to be furnished by the  
43 constitution and laws of this state,  
44 including the governor, who has submitted  
45 the notice and Act to the Texas Commission  
46 on Environmental Quality;

47 (2) the Texas Commission on

1 Environmental Quality has filed its  
2 recommendations relating to this Act with  
3 the governor, lieutenant governor, and  
4 speaker of the house of representatives  
5 within the required time;

6 (3) the general law relating to  
7 consent by political subdivisions to the  
8 creation of districts with conservation,  
9 reclamation, and road powers and the  
10 inclusion of land in those districts has  
11 been complied with; and

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

18 CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

19 SUBCHAPTER A. GENERAL PROVISIONS

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26 [Sections 5201.007-5201.050 reserved for expansion]

27 SUBCHAPTER B. BONDS

28 Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS . . . . . 680  
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34 [Sections 5201.057-5201.100 reserved for expansion]

35 SUBCHAPTER C. TAXES

36 Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX . . . . . 690

37 CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

38 SUBCHAPTER A. GENERAL PROVISIONS

39 Revised Law

40 Sec. 5201.001. DEFINITION. In this chapter, "district"  
41 means Galveston County Road District No. 1. (New.)

42 Revisor's Note

43 The definition of "district" is added to the

1 revised law for drafting convenience and to eliminate  
2 frequent, unnecessary repetition of the substance of  
3 the definition.

4 Revised Law

5 Sec. 5201.002. NATURE OF DISTRICT. (a) Galveston County  
6 Road District No. 1 is a defined road district created under Section  
7 52, Article III, Texas Constitution, to:

8 (1) construct, maintain, or operate macadamized,  
9 graveled, or paved roads and turnpikes; or

10 (2) aid an activity described by Subdivision (1).

11 (b) The district is a body corporate and a taxing district  
12 under the constitution and laws of this state. (Acts 55th Leg.,  
13 R.S., Ch. 66, Sec. 1.)

14 Source Law

15 Sec. 1. That Galveston County Road District No.  
16 1 of Galveston County, Texas, is hereby created and  
17 established as a defined road district in said county,  
18 under authority of Article III, Section 52,  
19 Constitution of Texas, for the purpose of the  
20 construction, maintenance and operation of  
21 macadamized, graveled, or paved roads and turnpikes,  
22 or in aid thereof, and such district is hereby made a  
23 body corporate and taxing district, under the  
24 constitution and laws of the State of Texas.

25 Revisor's Note

26 Section 1, Chapter 66, Acts of the 55th  
27 Legislature, Regular Session, 1957, provides the  
28 district is created in Galveston County. The revised  
29 law omits the reference to Galveston County because  
30 the boundaries provided in Section 2 of that act (which  
31 are not revised in this chapter for the reason stated  
32 in the revisor's note to Section 5201.004 of this  
33 chapter) are within Galveston County, and it is  
34 unnecessary to repeat that fact in this section.

35 Revised Law

36 Sec. 5201.003. LEGISLATIVE FINDINGS. The legislature finds  
37 that all land and other property in the district will benefit from:

38 (1) the creation of the district; and

39 (2) the construction, acquisition, and maintenance of

1 the improvements and facilities authorized by this chapter. (Acts  
2 55th Leg., R.S., Ch. 66, Secs. 6 (part), 10.)

3 Source Law

4 Sec. 6. . . . it being hereby affirmatively  
5 found and determined by the Legislature that all of the  
6 property situated in said road district hereby created  
7 will be benefited by the improvements authorized by  
8 this Act. . . .

9 Sec. 10. It is hereby found, declared, and  
10 determined that all land and other property situated  
11 in said district is, and will be benefited by the  
12 creation of such district and by the construction,  
13 acquisition, and maintenance of the improvement and  
14 facilities authorized hereby.

15 Revised Law

16 Sec. 5201.004. DISTRICT TERRITORY. (a) The district is  
17 composed of the territory described by Section 2, Chapter 66, Acts  
18 of the 55th Legislature, Regular Session, 1957, as that territory  
19 may have been modified under other law.

20 (b) The Commissioners Court of Galveston County may  
21 redefine the boundaries of the district contained in Section 2,  
22 Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, to  
23 correct any error or omission in those boundaries. (Acts 55th Leg.,  
24 R.S., Ch. 66, Sec. 3; New.)

25 Source Law

26 Sec. 3. If there is any error or omission in the  
27 description of the boundaries of said road district,  
28 as set forth in Section 2, the Commissioners Court of  
29 Galveston County, Texas, is hereby authorized and  
30 directed to re-define said boundaries and correct the  
31 error or omission.

32 Revisor's Note

33 The revision of the law governing Galveston  
34 County Road District No. 1 does not revise the  
35 statutory language describing the territory of the  
36 district to avoid the lengthy recitation of the  
37 description and because that description may not be  
38 accurate on the effective date of the revision or at  
39 the time of a later reading. For the reader's  
40 convenience, the revised law includes a reference to  
41 the statutory description of the district's territory



1 and a reference to the general authority of the  
2 legislature to enact other laws to change the  
3 district's territory.

4 Revised Law

5 Sec. 5201.005. GENERAL POWER OF DISTRICT. (a) In this  
6 section, "road facility" means:

7 (1) a causeway, bridge, or tunnel;

8 (2) an immediate approach or a necessary fixture,  
9 accessory, or equipment for a facility described by Subdivision  
10 (1); or

11 (3) any combination of those facilities described by  
12 Subdivision (1) or (2).

13 (b) The district may construct, acquire, improve, operate,  
14 or maintain a road facility:

15 (1) in the district;

16 (2) from a point in the district to a point outside of  
17 the district in Galveston County; or

18 (3) from a point in the district in, over, through, or  
19 under the Gulf of Mexico or a bay or inlet opening into the gulf to a  
20 point outside of the district and located in another county. (Acts  
21 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

22 Source Law

23 Sec. 5. Said Galveston County Road District No.  
24 1 is authorized and empowered to construct, acquire,  
25 improve, operate and maintain causeways, bridges,  
26 tunnels, or any combination of such facilities,  
27 including all immediate approaches, or any combination  
28 of such facilities (including all immediate  
29 approaches, and all necessary fixtures, accessories  
30 and equipment) from one point in said district to  
31 another, or from one point in said district to a point  
32 outside said district in Galveston County, or from one  
33 point in said district to a point outside said district  
34 in another county, in, over, through, or under the  
35 waters of the Gulf of Mexico or any bay or inlet  
36 opening thereinto, and . . . .

37 Revisor's Note

38 The definition of "road facility" is added to the  
39 revised law for drafting convenience and to eliminate  
40 unnecessary repetition of the substance of the  
41 definition in this section.

1 Revised Law

2 Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW. (a) To  
3 the extent it can be made applicable, Chapter 284, Transportation  
4 Code, applies to:

5 (1) the issuance of bonds under this chapter; and

6 (2) the operation and maintenance of a road facility  
7 constructed, acquired, or improved as provided by Section 5201.005.

8 (b) The district has all the rights, powers, and duties over  
9 a road facility authorized by Section 5201.005 as are granted to or  
10 imposed on a county by Chapter 284, Transportation Code. (Acts 55th  
11 Leg., R.S., Ch. 66, Sec. 5 (part).)

12 Source Law

13 Sec. 5. . . . The provisions of said Chapter  
14 304, insofar as they can be made applicable, shall  
15 apply to the issuance of bonds under this Section 5 and  
16 the operation and maintenance of the improvements and  
17 facilities constructed, acquired, or improved under  
18 said Section 5; and Galveston County Road District No.  
19 1 shall have all the rights, powers, and duties with  
20 respect to such improvements and facilities that are  
21 granted to or imposed upon counties by said Chapter  
22 304. . . .

23 Revisor's Note

24 (1) Section 5, Chapter 66, Acts of the 55th  
25 Legislature, Regular Session, 1957, refers to "said  
26 Chapter 304" meaning Chapter 304, Acts of the 50th  
27 Legislature, Regular Session, 1947 (V.A.C.S. Article  
28 6795b-1). In 1995, Chapter 304 was codified as Chapter  
29 284, Transportation Code. Throughout this chapter,  
30 the revised law substitutes for references to Chapter  
31 304 references to Chapter 284, Transportation Code.

32 (2) Section 5, Chapter 66, Acts of the 55th  
33 Legislature, Regular Session, 1957, provides for a  
34 conflicts of law provision between that act and  
35 Chapter 304, Acts of the 50th Legislature, Regular  
36 Session, 1947 (V.A.C.S. Article 6795b-1). The revised  
37 law omits this provision as unnecessary. General  
38 rules of statutory construction provide that in case  
39 of a conflict, special or local laws prevail over

1 general laws and that later enacted statutes prevail  
2 over previously enacted statutes. Section 311.026,  
3 Government Code (Code Construction Act), applicable to  
4 the revised law, codifies both these concepts and  
5 harmonizes them to make it clear that a later enacted  
6 general law will control over a previous local or  
7 special law if the manifest intent is that the general  
8 provision should prevail. The omitted law reads:

9           Sec. 5. . . . Provided, however, in  
10 case of conflict or inconsistency of the  
11 provisions of this Act with the provisions  
12 of said Chapter 304, the provisions of this  
13 Act to the extent of such conflict or  
14 inconsistency shall govern.

15 [Sections 5201.007-5201.050 reserved for expansion]

16 SUBCHAPTER B. BONDS

17 Revised Law

18 Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS. (a) The  
19 district may issue bonds to:

20           (1) construct, maintain, and operate macadamized,  
21 graveled, or paved roads and turnpikes; and

22           (2) aid an activity described by Subdivision (1).

23           (b) The Commissioners Court of Galveston County may issue  
24 bonds for the district in the same manner as provided by general law  
25 for road district bonds. (Acts 55th Leg., R.S., Ch. 66, Secs. 4  
26 (part), 5 (part).)

27 Source Law

28           Sec. 4. Said Galveston County Road District No.  
29 1 is hereby authorized and empowered from time to time  
30 to issue bonds for the purpose of the construction,  
31 maintenance and operation of macadamized, graveled or  
32 paved roads and turnpikes, or in aid thereof, and  
33 . . . . The Commissioners Court of Galveston County,  
34 Texas, is authorized and empowered to proceed with the  
35 issuance of bonds by said district just as is provided  
36 by general laws for the issuance of road district bonds  
37 in ordinary road districts (except as may be provided  
38 by this Act); . . . .

39           Sec. 5. [Said Galveston County Road District  
40 No. 1 is authorized and empowered to] . . . from time  
41 to time to issue bonds for the purpose of paying the  
42 cost of such construction, acquisition, or  
43 improvement; and . . . .

1 Revisor's Note

2 (1) Section 4, Chapter 66, Acts of the 55th  
3 Legislature, Regular Session, 1957, provides that the  
4 district shall issue road district bonds in the same  
5 manner as is ordinarily provided by general law for  
6 road districts "except as may be provided by this Act."  
7 The revised law omits the quoted language for the  
8 reason stated in Revisor's Note (2) to Section  
9 5201.006.

10 (2) Section 4, Chapter 66, Acts of the 55th  
11 Legislature, Regular Session, 1957, provides in part  
12 that the level of indebtedness of the district may not  
13 exceed the limit imposed by Section 52, Article III,  
14 Texas Constitution. The revised law omits this  
15 provision because a statute can never authorize an  
16 activity in excess of a limit imposed by the  
17 constitution. The omitted law reads:

18 Sec. 4. . . . provided the  
19 indebtedness of the purposes mentioned in  
20 Section 52 of Article III, Constitution of  
21 Texas, and payable from taxes as provided in  
22 said Section 52, shall never exceed the  
23 limit fixed by said Section 52 in any part  
24 of said district.

25 (3) Section 5, Chapter 66, Acts of the 55th  
26 Legislature, Regular Session, 1957, provides that the  
27 district may issue bonds "from time to time." The  
28 revised law omits this phrase because the power to take  
29 an action includes the power to act from time to time.

30 Revised Law

31 Sec. 5201.052. USE OF BOND PROCEEDS LIMITED. The proceeds  
32 of bonds issued under this chapter may be spent only for the  
33 construction, acquisition, improvement, operation, or maintenance  
34 of a road facility as authorized by Section 5201.005. (Acts 55th  
35 Leg., R.S., Ch. 66, Sec. 5 (part).)

36 Source Law

37 Sec. 5. . . . the expenditure of the proceeds of  
38 all bonds issued under this Act shall be limited to the

1 payment of the costs of said construction,  
2 acquisition, or improvement (including said immediate  
3 approaches and said fixtures, accessories, and  
4 equipment). . . .

5 Revisor's Note

6 Section 5, Chapter 66, Acts of the 55th  
7 Legislature, Regular Session, 1957, limits the use of  
8 the proceeds of bonds issued under the act to  
9 "construction, acquisition, or improvement" of road  
10 facilities. Section 4 of that act states that the  
11 district may issue bonds for "construction,  
12 maintenance and operation of" roads. This language  
13 tracks the constitutional provision contained in  
14 Section 52(b)(3), Article III, Texas Constitution.  
15 The initial sentence of Section 5 of the act (revised  
16 as Section 5201.005(b) of this chapter) provides that  
17 the district may "construct, acquire, improve, operate  
18 and maintain" certain road facilities. To correspond  
19 to the constitutional provision and for consistency  
20 throughout this chapter, the revised law is drafted to  
21 allow bond proceeds to be used for the maintenance and  
22 operation of a road facility in addition to  
23 construction, acquisition, or improvement.

24 Revised Law

25 Sec. 5201.053. SECURITY FOR BONDS. Bonds issued under this  
26 chapter may be secured by:

27 (1) solely a pledge of revenues, in the manner and to  
28 the extent prescribed for a county by Chapter 284, Transportation  
29 Code;

30 (2) a pledge of, and making the bonds payable from, an  
31 ad valorem tax authorized by Section 52(b), Article III, Texas  
32 Constitution;

33 (3) designating a portion of the bonds to be secured  
34 solely by a pledge of revenues as provided by Subdivision (1) and a  
35 portion of the bonds to be secured by a pledge of an ad valorem tax  
36 as provided by Subdivision (2); or

1 (4) a combination of the methods prescribed by  
2 Subdivisions (1) and (2) through which all of the bonds are to be  
3 supported and secured by a pledge of revenue and ad valorem tax, in  
4 the manner and to the extent prescribed for a county by Chapter 284,  
5 Transportation Code. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

6 Source Law

7 Sec. 5. . . . Said bonds may be secured by any  
8 one of the following methods:

9 (a) Solely by a pledge of revenues, in the  
10 manner and to the extent prescribed for counties by  
11 Chapter 304, Acts of the 50th Legislature of Texas,  
12 Regular Session, 1947, as said Chapter 304 is now or  
13 hereafter may be amended; or

14 (b) A pledge of and payable from an  
15 unlimited ad valorem tax authorized under Article III,  
16 Section 52, Constitution of Texas as mentioned in  
17 Section 4 of this Act; or

18 (c) A designated part of the bonds to be  
19 secured solely by a pledge of revenues as provided  
20 under subsection (a) and a designated part of the bonds  
21 to be secured by a pledge of an ad valorem tax as  
22 provided under subsection (b) of this section; or

23 (d) A combination of the methods  
24 prescribed under subsections (a) and (b) of this  
25 section wherein all of the bonds then proposed to be  
26 issued are to be supported and secured by such ad  
27 valorem tax and a pledge of revenues, in the manner and  
28 to the extent as prescribed for counties by said  
29 Chapter 304.

30 . . .

31 Revisor's Note

32 Section 5, Chapter 66, Acts of the 55th  
33 Legislature, Regular Session, 1957, refers to Chapter  
34 304 "as said Chapter 304 is now or hereafter may be  
35 amended." The revised law substitutes a reference to  
36 Chapter 284, Transportation Code, for Chapter 304 for  
37 the reason stated in Revisor's Note (1) to Section  
38 5201.006 and omits the phrase referring to amendments  
39 as unnecessary because Section 311.027, Government  
40 Code (Code Construction Act), applicable to the  
41 revised law, provides that a reference to any portion  
42 of a statute applies to any reenactment, revision, or  
43 amendment of the statute.

44 Revised Law

45 Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS. (a)  
46 Bonds wholly or partly supported by an ad valorem tax may be issued

1 only if approved by a two-thirds vote of the qualified voters of the  
2 district voting at an election held for that purpose.

3 (b) The district may impose an ad valorem tax to pay bonds  
4 issued under this chapter as authorized by Section 52(b), Article  
5 III, Texas Constitution.

6 (c) A hearing is not required on a petition for a bond  
7 election under this section. (Acts 55th Leg., R.S., Ch. 66, Secs. 4  
8 (part), 5 (part), 6 (part).)

9 Source Law

10 Sec. 4. [Said Galveston County Road District  
11 No. 1 is hereby authorized and empowered from time to  
12 time to issue bonds for the purpose of the  
13 construction, maintenance and operation of  
14 macadamized, graveled or paved roads and turnpikes, or  
15 in aid thereof, and] to levy ad valorem taxes in  
16 payment thereof as is contemplated by Article III,  
17 Section 52, Constitution of Texas, when authorized by  
18 two-thirds (2/3rds) majority vote of the duly  
19 qualified resident taxpaying voters of said district,  
20 voting at an election therefor. . . .

21 Sec. 5. . . . No bonds wholly or partially  
22 supported by an ad valorem tax shall be issued unless  
23 and until they have been authorized by two-thirds  
24 (2/3rds) majority vote of the duly qualified resident  
25 taxpaying voters of said district, voting at an  
26 election therefor.

27 . . . .  
28 Sec. 6. . . . No hearing need be had on the  
29 petition for bond election for the issuance of bonds  
30 payable wholly or partially from ad valorem  
31 taxes, . . . .

32 Revisor's Note

33 (1) Section 4, Chapter 66, Acts of the 55th  
34 Legislature, Regular Session, 1957, duplicates  
35 constitutional provisions as to the imposition of an  
36 ad valorem tax under Section 52(b), Article III, Texas  
37 Constitution, that relate to the holding of an  
38 election to approve an ad valorem tax and the limit of  
39 debt the district may incur. The revised law omits  
40 these provisions as the policy of the legislative  
41 council's statutory revision program is to omit from  
42 the revised codes the duplicating statutory provisions  
43 because a statute that tracks the language of the  
44 constitution not only is superfluous but may foster  
45 the erroneous belief that a constitutional requirement

1 is merely statutory and subject to amendment through  
2 the ordinary legislative process. A reference to the  
3 constitutional provision is retained in the revised  
4 law to alert the reader to the constitutional  
5 requirements.

6 (2) Section 5, Chapter 66, Acts of the 55th  
7 Legislature, Regular Session, 1957, requires a  
8 two-thirds majority vote of "the duly qualified  
9 resident taxpaying voters of said district."  
10 Throughout this chapter the revised law omits the  
11 reference to "resident" because under Section 11.001,  
12 Election Code, a person must be a resident of the  
13 territory covered by an election to be eligible to vote  
14 in the election. Throughout this chapter the revised  
15 law omits "taxpaying" since under Section 52(b),  
16 Article III, and Section 3a, Article VI, Texas  
17 Constitution, a qualified voter may vote without  
18 regard to the person's status as a taxpayer.

19 (3) Section 6, Chapter 66, Acts of the 55th  
20 Legislature, Regular Session, 1957, provides for  
21 election notice to be given in place of all election  
22 notices provided for by general law for road district  
23 bond elections. The revised law omits this provision  
24 as superseded by mandatory election notice provisions  
25 enacted in Chapter 211, Acts of the 69th Legislature,  
26 Regular Session, 1985, as part of a substantive  
27 revision of the Election Code. Sections 4.003(c) and  
28 (d), Election Code, provide that notice for an  
29 election called by a commissioners court must be given  
30 by the method prescribed by Section 4.003(a)(1),  
31 Election Code, which provides for notice by  
32 publication. The omitted law reads:

33 Sec. 6. . . . In lieu of all  
34 election notices provided by general law  
35 for road district bond elections, notice of  
36 bond elections authorized and required by



1 this Act may be given by publication of the  
2 election notice on the same day in each of  
3 two (2) successive weeks in a newspaper  
4 having general circulation within said road  
5 district, the date of the first publication  
6 to be at least fourteen (14) days prior to  
7 the date set for the election. . . .

8 Revised Law

9 Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS. The  
10 district may issue bonds payable solely from revenue without:

- 11 (1) a petition for a bond election; or  
12 (2) an election. (Acts 55th Leg., R.S., Ch. 66, Sec. 6  
13 (part).)

14 Source Law

15 Sec. 6. No petition for bond election shall be  
16 necessary for the issuance of bonds by said district  
17 payable solely from revenues and no election shall be  
18 necessary for the issuance of such bonds. . . .

19 Revised Law

20 Sec. 5201.056. MATURITY. Bonds issued under this chapter  
21 must mature not later than 40 years after their date of issuance.  
22 (Acts 55th Leg., R.S., Ch. 66, Secs. 6 (part), 7 (part).)

23 Source Law

24 Sec. 6. . . . All bonds issued under this Act  
25 shall mature serially or otherwise in not to exceed  
26 forty (40) years from their date or dates, and . . . .  
27 Sec. 7. . . . Said refunding bonds shall  
28 mature serially or otherwise in not to exceed forty  
29 (40) years, and . . . .

30 Revisor's Note

31 (1) Sections 6 and 7, Chapter 66, Acts of the  
32 55th Legislature, Regular Session, 1957, provide that  
33 bonds issued under that law shall mature "serially or  
34 otherwise." The revised law omits the quoted language  
35 because it duplicates Section 1201.022(a)(1),  
36 Government Code. That section applies to the revised  
37 law because the district is an issuer under Section  
38 1201.002.

39 (2) Section 6, Chapter 66, Acts of the 55th  
40 Legislature, Regular Session, 1957, provides that the  
41 maximum interest rate on the bonds may not exceed six  
42 per cent per year. The revised law omits this

1 provision because it has been superseded by the  
2 enactment of the maximum interest rate provision found  
3 in Section 1204.006, Government Code. That section  
4 reflects the 1981 amendment of Chapter 3, Acts of the  
5 61st Legislature, Regular Session, 1969 (Article  
6 717k-2, Vernon's Texas Civil Statutes, now Chapter  
7 1204, Government Code), by Section 1, Chapter 61, Acts  
8 of the 67th Legislature, Regular Session, 1981, and  
9 permits a public agency, including a road district, to  
10 issue public securities at any net effective interest  
11 rate of 15 percent or less. Section 1204.006,  
12 Government Code, applies to bonds issued under this  
13 chapter by application of Section 1204.001, Government  
14 Code. The omitted language reads:

15           Sec. 6. [All bonds issued under this  
16 Act] . . . shall bear interest at a rate or  
17 rates not to exceed six per cent (6%) per  
18 annum.

19                           Revisor's Note  
20                           (End of Subchapter)

21           (1) Section 7, Chapter 66, Acts of the 55th  
22 Legislature, Regular Session, 1957, authorizes the  
23 district to issue refunding bonds for bonds issued  
24 under that chapter. The revised law omits this  
25 provision because Chapter 1207, Government Code,  
26 provides general authority for an issuer, including a  
27 road district, to issue refunding securities. Section  
28 7 also provides that refunding bonds must bear  
29 interest at the same or lower rate than the bonds being  
30 refunded unless the refunding will result in a lower  
31 total amount on interest paid. The revised law omits  
32 this provision as superseded for the reason stated in  
33 Revisor's Note (2) to Section 5201.056 and by the 1999  
34 enactment of Section 1207.008, Government Code, which  
35 provides for a comprehensive standard relating to  
36 savings that an issuer must fulfill before issuing

1           refunding bonds. The omitted law reads:

2                   Sec. 7. Said district may issue bonds  
3                   to refund any outstanding bonds, and no  
4                   election therefor shall be necessary.  
5                   [Said refunding bonds] . . . shall bear  
6                   interest at the same or lower rate than that  
7                   of the bonds refunded, unless it is shown  
8                   mathematically that a saving will result in  
9                   the total amount of interest to be paid.

10           (2) Section 8, Chapter 66, Acts of the 55th  
11           Legislature, Regular Session, 1957, provides that  
12           bonds issued under that chapter are negotiable  
13           instruments and are legal and authorized investments  
14           for various entities. The revised law omits these  
15           provisions as unnecessary. Section 1201.041,  
16           Government Code, provides that any bond is a  
17           negotiable instrument. Section 1201.041 applies to  
18           Section 8 under Section 1201.002, Government Code. As  
19           to several of the entities listed, Section 8 has been  
20           superseded and impliedly repealed. Investments in  
21           securities by banks are regulated by Section 34.101,  
22           Finance Code (enacted in 1995 as Section 5.101, Texas  
23           Banking Act (Article 342-5.101, Vernon's Texas Civil  
24           Statutes)). Investments in securities by savings  
25           banks are regulated by Section 93.001(c)(10), Finance  
26           Code (enacted in 1993 as Section 7.15(10), Texas  
27           Savings Bank Act (Article 489e, Vernon's Texas Civil  
28           Statutes)). Investments in securities by trust  
29           companies are regulated by Section 184.101, Finance  
30           Code (enacted in 1997 as Section 5.101, Texas Trust  
31           Company Act (Article 342a-5.101, Vernon's Texas Civil  
32           Statutes)). Investments in securities by building and  
33           loan associations (which are now referred to as  
34           savings and loan associations) are regulated by  
35           Sections 63.002 and 64.001, Finance Code. As to the  
36           remaining entities listed, Section 8 is superseded by  
37           Section 1201.041, Government Code, enacted as Section  
38           9, Bond Procedures Act of 1981 (Article 717k-6,

1 Vernon's Texas Civil Statutes). While Section 8, lists  
2 "guardians" and Section 1201.041, Government Code,  
3 does not, Section 1201.041 includes "fiduciaries," and  
4 a guardian is a fiduciary. The omitted law reads:

5           Sec. 8. All bonds issued under this  
6 Act shall be and are hereby declared to be,  
7 and to have all the qualifications of,  
8 negotiable instruments under the Negotiable  
9 Instruments Law of Texas, and all such bonds  
10 shall be and are hereby declared to be legal  
11 and authorized investments for banks,  
12 savings banks, trust companies, building  
13 and loan associations, insurance companies,  
14 fiduciaries, trustees, guardians, and for  
15 the sinking funds of cities, towns,  
16 villages, counties, school districts, or  
17 other political corporations or  
18 subdivisions of the State of Texas. . . .

19           (3) Section 8, Chapter 66, Acts of the 55th  
20 Legislature, Regular Session, 1957, provides that  
21 bonds issued under that chapter may secure deposits of  
22 public funds of the state or political subdivisions.  
23 The revised law omits this provision as impliedly  
24 repealed by Section 404.0221, Government Code (enacted  
25 by Chapter 426, Acts of the 74th Legislature, Regular  
26 Session, 1995), which lists eligible collateral for  
27 the comptroller's deposits of state funds, and by  
28 Chapter 2257, Government Code (enacted by Chapter 627,  
29 Acts of the 71st Legislature, Regular Session, 1989,  
30 as Article 2529d, Vernon's Texas Civil Statutes),  
31 which governs eligible collateral for deposits of  
32 funds of other public agencies, including political  
33 subdivisions. The omitted law reads:

34           Sec. 8. . . . Such bonds shall be  
35 eligible to secure the deposit of any and  
36 all public funds of the State of Texas, and  
37 any and all public funds of cities, towns,  
38 villages, counties, school districts, or  
39 other political corporations or  
40 subdivisions of the State of Texas; and such  
41 bonds shall be lawful and sufficient  
42 security for said deposits to the extent of  
43 their face value when accompanied by all  
44 unmatured coupons appurtenant thereto.

45           [Sections 5201.057-5201.100 reserved for expansion]

1 SUBCHAPTER C. TAXES

2 Revised Law

3 Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX. (a) If  
4 approved by a two-thirds vote of the qualified voters of the  
5 district voting at an election held for that purpose, the  
6 Commissioners Court of Galveston County may impose an annual ad  
7 valorem tax at a rate not to exceed 20 cents on each \$100 valuation  
8 of taxable property in the district for the maintenance of the  
9 district's improvements and facilities.

10 (b) An election under Subsection (a):

11 (1) does not require a petition;

12 (2) must be held in the same manner prescribed for a  
13 bond election; and

14 (3) may be held at the same time as a bond election.

15 (c) Subsequent elections may be held on increasing,  
16 reducing, or abating a maintenance tax not to exceed the limits  
17 prescribed by Subsection (a). (Acts 55th Leg., R.S., Ch. 66, Sec.  
18 9.)

19 Source Law

20 Sec. 9. After having been authorized by  
21 two-thirds (2/3rds) majority vote of the duly  
22 qualified resident taxpaying voters of said district,  
23 voting at an election therefor, the Commissioners  
24 Court of Galveston County may levy and cause to be  
25 collected each year a tax at a rate of not exceeding  
26 Twenty Cents (20¢) on each One Hundred Dollars  
27 (\$100.00) valuation of taxable property within said  
28 district for the maintenance of the district's  
29 improvements and facilities. Said election shall be  
30 called, notice thereof given, and the results declared  
31 by said Commissioners Court in the manner prescribed  
32 for bond elections, and no petition for a maintenance  
33 tax election shall be necessary. Such elections may be  
34 held at the same time as bond elections, and subsequent  
35 elections may be ordered and held for the purpose of  
36 increasing, reducing, or abating such tax; provided,  
37 however, that such tax shall never exceed the maximum  
38 herein prescribed.

39 Revisor's Note

40 (1) Section 9, Chapter 66, Acts of the 55th  
41 Legislature, Regular Session, 1957, provides that a  
42 maintenance tax election shall be called, notice  
43 given, and the results declared in the same manner as a

1 bond election. The revised law substitutes the  
2 shorter phrase "held in the same manner" as a bond  
3 election because the holding of an election  
4 necessarily requires calling the election, providing  
5 notice, and declaring the result of the election.

6 (2) Section 9, Chapter 66, Acts of the 55th  
7 Legislature, Regular Session, 1957, allows for the  
8 commissioners court to levy and cause to be collected a  
9 maintenance tax. The revised law substitutes "impose"  
10 for "levy and cause to be collected" because "impose"  
11 is the term generally used in Title 1, Tax Code, and  
12 includes the levy and collection of a tax.

13 Revisor's Note  
14 (End of Chapter)

15 Section 11, Chapter 66, Acts of the 55th  
16 Legislature, Regular Session, 1957, provides that the  
17 act is severable. The revised law omits that provision  
18 because it duplicates Section 311.032, Government Code  
19 (Code Construction Act), applicable to the revised  
20 law, which provides that a provision of a statute is  
21 severable from each other provision that can be given  
22 effect. The omitted law reads:

23 Sec. 11. If any provision of this Act  
24 or the application thereof to any persons or  
25 circumstances shall be held to be invalid or  
26 unconstitutional, the remainder of the Act  
27 and the application of such provision to  
28 other persons or circumstances shall not be  
29 affected thereby.

30 CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

31 SUBCHAPTER A. GENERAL PROVISIONS

32	Sec. 7501.001.	DEFINITION . . . . .	692
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37 [Sections 7501.006-7501.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT POWERS

2 Sec. 7501.051. GENERAL POWERS . . . . . 698

3 CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Revised Law

6 Sec. 7501.001. DEFINITION. In this chapter, "district"  
7 means the Donna Irrigation District, Hidalgo County No. 1. (New.)

8 Revisor's Note

9 The definition of "district" is added to the  
10 revised law for drafting convenience and to eliminate  
11 frequent, unnecessary repetition of the substance of  
12 the definition.

13 Revised Law

14 Sec. 7501.002. NATURE OF DISTRICT. (a) The district is a  
15 conservation and reclamation district in Hidalgo County, Texas,  
16 created under Section 59, Article XVI, Texas Constitution, for all  
17 purposes of that section, including:

18 (1) the reclamation and irrigation of the district's  
19 arid, semiarid, and other land that needs irrigation; and

20 (2) the reclamation and drainage of the district's  
21 overflowed land and other land that needs drainage.

22 (b) The district is a political subdivision of this state.  
23 (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part);  
24 Acts 57th Leg., R.S., Ch. 133, Sec. 1 (part); Acts 57th Leg., R.S.,  
25 Ch. 247, Sec. 1 (part).)

26 Source Law

27 [Acts 41st Leg., 4th C.S., Ch. 26, S.L.]  
28 Sec. 1. Donna Irrigation District, Hidalgo  
29 County No. 1, in Hidalgo County, Texas, is hereby  
30 created and established as a Conservation and  
31 Reclamation District under authority of Section 59, of  
32 Article 16, of the Constitution of the State of Texas,  
33 for the purpose of the reclamation and irrigation of  
34 its arid, semi-arid, and other lands needing  
35 irrigation, reclamation and drainage of its overflowed  
36 lands, and other lands needing drainage, and all other  
37 purposes as contemplated by Section 59, of Article 16,  
38 of the Constitution of this State, and said District  
39 shall be a governmental agency and a body  
40 politic . . . .

41 Sec. 10. . . . same to be a governmental agency

1 and body politic and corporate . . . .

2 [Acts 57th Leg., R.S., Ch. 133]

3 Sec. 1. . . . Donna Irrigation District Hidalgo  
4 County No. 1, a governmental agency and conservation  
5 and reclamation district, created and existing as a  
6 public subdivision of the State pursuant to Article  
7 16, Section 59(b) of the Constitution of the State of  
8 Texas, . . . .

9 [Acts 57th Leg., R.S., Ch. 247]

10 Sec. 1. . . . Donna Irrigation District Hidalgo  
11 County No. 1, a governmental agency and conservation  
12 and reclamation district, created and existing as a  
13 public subdivision of the State, pursuant to Article  
14 16, Section 59(b) of the Constitution of the State of  
15 Texas, . . . .

16 Revisor's Note

17 (1) Section 1, Chapter 26, Special Laws, Acts of  
18 the 41st Legislature, 4th Called Session, 1930,  
19 provides that the Donna Irrigation District, Hidalgo  
20 County No. 1, "is hereby created and established." The  
21 revised law omits the quoted language as executed.

22 (2) Section 1, Chapter 26, Special Laws, Acts of  
23 the 41st Legislature, 4th Called Session, 1930,  
24 provides that the Donna Irrigation District, Hidalgo  
25 County No. 1, is "a Conservation and Reclamation  
26 District" and a "governmental agency and a body  
27 politic." Section 10 of that act provides that the  
28 district is a "governmental agency and body politic  
29 and corporate." Section 1, Chapter 133, Acts of the  
30 57th Legislature, Regular Session, 1961, provides that  
31 the district is "a governmental agency and  
32 conservation and reclamation district." Section 1,  
33 Chapter 247, Acts of the 57th Legislature, Regular  
34 Session, 1961, provides that the district is "a  
35 governmental agency and conservation and reclamation  
36 district." The revised law omits the references to  
37 "governmental agency" and "body politic and corporate"  
38 because they duplicate a portion of Section 59(b),  
39 Article XVI, Texas Constitution, which provides that a  
40 conservation and reclamation district is a  
41 governmental agency and a body politic and corporate.



1           (3) Section 1, Chapter 26, Special Laws, Acts of  
2 the 41st Legislature, 4th Called Session, 1930,  
3 provides that the Donna Irrigation District, Hidalgo  
4 County No. 1, is created under Section 59, Article XVI,  
5 Texas Constitution. Section 1, Chapter 133, and  
6 Section 1, Chapter 247, Acts of the 57th Legislature,  
7 Regular Session, 1961, provide that the district is  
8 created under Section 59(b), Article XVI, Texas  
9 Constitution. The revised law refers to Section 59  
10 rather than Section 59(b) because that is the more  
11 inclusive cross-reference.

12           (4) Section 1, Chapter 133, and Section 1,  
13 Chapter 247, Acts of the 57th Legislature, Regular  
14 Session, 1961, provide that the Donna Irrigation  
15 District, Hidalgo County No. 1, is a "public  
16 subdivision of the State." The revised law  
17 substitutes "political subdivision" for "public  
18 subdivision" because, in the context of this section,  
19 "political subdivision" and "public subdivision" are  
20 synonymous and "political subdivision" is more  
21 commonly used.

22   Revised Law

23           Sec. 7501.003. LEGISLATIVE FINDINGS. The legislature finds  
24 that:

25           (1) the district is essential to accomplish the  
26 purposes of Section 59, Article XVI, Texas Constitution; and

27           (2) the creation of the district as a conservation and  
28 reclamation district:

29                           (A) will result in:

30   (i) material benefits and improvements to  
31 district territory; and

32   (ii) the increase of the taxable value of  
33 property in the district;

34                           (B) benefits all property in the district; and

1 (C) will result in material benefit to that  
2 section of the state. (Acts 41st Leg., 4th C.S., Ch. 26, S.L.,  
3 Secs. 1 (part), 10 (part), 12 (part).)

4 Source Law

5 Sec. 1. . . . It is hereby declared and  
6 determined that all property within the boundaries of  
7 said District as herein set forth is benefited by the  
8 creation of said District, and that no property not  
9 benefited is included within such boundaries,  
10 and . . . .

11 Sec. 10. The Legislature hereby exercises the  
12 authority upon it conferred by Section 59, of Article  
13 16, of the Constitution of Texas, and declares that  
14 said Conservation and Reclamation District as above  
15 described is essential to the accomplishment of the  
16 purposes of said Constitutional provisions and . . . .

17 Sec. 12. The fact that the creation of said  
18 Donna Irrigation District, Hidalgo County No. 1 as a  
19 Conservation and Reclamation District will result in  
20 material benefits and improvements to the territory  
21 included therein and in the increase of taxable values  
22 of property therein, and that no territory is included  
23 within said District that is not to be benefited and  
24 that the creation of said District will result in  
25 material benefit to that section of the State . . . .

26 Revised Law

27 Sec. 7501.004. DISTRICT TERRITORY. The district is  
28 composed of the territory described by Section 1, Chapter 26,  
29 Special Laws, Acts of the 41st Legislature, 4th Called Session,  
30 1930; Section 1, Chapter 108, Acts of the 56th Legislature, Regular  
31 Session, 1959; Section 1, Chapter 133, Acts of the 57th  
32 Legislature, Regular Session, 1961; and Section 1, Chapter 247,  
33 Acts of the 57th Legislature, Regular Session, 1961, as that  
34 territory may have been modified under:

35 (1) Chapter 25, General Laws, Acts of the 39th  
36 Legislature, Regular Session, 1925 (Article 7880-1 et seq.,  
37 Vernon's Texas Civil Statutes), before August 30, 1971;

38 (2) Chapter 3, General Laws, Acts of the 46th  
39 Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's  
40 Texas Civil Statutes), before August 30, 1971;

41 (3) Subchapter O, Chapter 51, Water Code, before  
42 December 15, 1978;

43 (4) Subchapter J, Chapter 49, Water Code, as

1 restricted by Section 7501.005 of this code;

2 (5) Subchapter N, Chapter 58, Water Code; or

3 (6) other law. (New.)

4 Revisor's Note

5 The revision of the law governing the Donna  
6 Irrigation District, Hidalgo County No. 1, does not  
7 revise the statutory language describing the territory  
8 of the district to avoid the lengthy recitation of the  
9 description and because that description may not be  
10 accurate on the effective date of the revision or at  
11 the time of a later reading. For the reader's  
12 convenience, the revised law adds references to the  
13 statutory descriptions of the district's territory.  
14 The revised law also includes references to authority  
15 to change the district's territory under general law.  
16 When the board of directors of the district converted  
17 the district from a water improvement district to a  
18 water control and improvement district on May 10,  
19 1926, this authority was located in Chapter 25,  
20 General Laws, Acts of the 39th Legislature, Regular  
21 Session, 1925 (Article 7880-1 et seq., Vernon's Texas  
22 Civil Statutes). Additional authority to change the  
23 district's territory was provided by Chapter 3,  
24 General Laws, Acts of the 46th Legislature, Regular  
25 Session, 1939 (Article 7775c-1, Vernon's Texas Civil  
26 Statutes). Chapter 58, Acts of the 62nd Legislature,  
27 Regular Session, 1971, codified those provisions in  
28 Subchapter O, Chapter 51, Water Code. The board of  
29 directors of the district converted the district to an  
30 irrigation district on December 15, 1978. Chapter 49,  
31 Water Code, applies to the district under Sections  
32 49.001 and 49.002 of that chapter. Subchapter J of  
33 that chapter governs annexation of land to or  
34 exclusion of land from districts covered by that

1 chapter. However, under Section 7501.005 of this  
2 code, Sections 49.303-49.308, Water Code, which  
3 constitute a portion of Subchapter J of Chapter 49, do  
4 not apply to the district. In addition, Subchapter N,  
5 Chapter 58, Water Code, governs adding territory to  
6 and excluding territory from irrigation districts.  
7 The revised law also includes a reference to the  
8 general authority of the legislature to enact other  
9 laws to change the district's territory.

10 Although the board of directors of the district  
11 converted the district from a water improvement  
12 district to a water control and improvement district  
13 on May 10, 1926, the revised law does not include a  
14 reference to the general law governing water  
15 improvement districts because Chapter 26, Special  
16 Laws, Acts of the 41st Legislature, 4th Called  
17 Session, 1930, which validated the creation of the  
18 district and the conversion of the district to a water  
19 control and improvement district, set out the  
20 boundaries of the district as of the effective date of  
21 that act. That act therefore superseded any changes to  
22 the boundaries of the district that may have been made  
23 by the board of directors under the general law  
24 governing water improvement districts before the  
25 conversion.

26 Revised Law

27 Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW. Sections  
28 49.303-49.308 and 58.501-58.509, Water Code, do not apply to the  
29 district. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Sec. 1 (part).)

30 Source Law

31 Sec. 1. . . . it is expressly declared that the  
32 provisions of Section 8 and Section 9 of Chapter 280,  
33 Acts of the Forty-first Legislature, Regular Session,  
34 shall not apply to this District.

35 Revisor's Note

36 Section 1, Chapter 26, Special Laws, Acts of the

1 41st Legislature, 4th Called Session, 1930, refers to  
2 Sections 8 and 9, Chapter 280, Acts of the 41st  
3 Legislature, Regular Session, 1929. Section 8 of  
4 Chapter 280 reenacted and amended Section 76, Chapter  
5 25, General Laws, Acts of the 39th Legislature,  
6 Regular Session, 1925 (Article 7880-76, Vernon's Texas  
7 Civil Statutes). Article 7880-76 was codified in 1971  
8 as Sections 51.691-51.701, Water Code. In 1995 those  
9 sections were recodified as Sections 49.303-49.308,  
10 Water Code. The revised law is drafted accordingly.  
11 Section 9 of Chapter 280 amended Chapter 25, General  
12 Laws, Acts of the 39th Legislature, Regular Session,  
13 1925 (Article 7880-1 et seq., Vernon's Texas Civil  
14 Statutes), by adding Section 77a (Article 7880-77a,  
15 Vernon's Texas Civil Statutes). Article 7880-76 was  
16 codified in 1971 as Sections 51.501-51.509, Water  
17 Code. Those sections are part of Chapter 51, Water  
18 Code, which governs water control and improvement  
19 districts. On December 15, 1978, the board of  
20 directors of the district converted the district from  
21 a water control and improvement district to an  
22 irrigation district. Irrigation districts are  
23 governed by Chapter 58, Water Code. Sections  
24 58.501-58.509, Water Code, are analogous to Sections  
25 51.501-51.509 of that code. Accordingly, the revised  
26 law substitutes a reference to Sections 58.501-58.509,  
27 Water Code.

28 [Sections 7501.006-7501.050 reserved for expansion]

29 SUBCHAPTER B. DISTRICT POWERS

30 Revised Law

31 Sec. 7501.051. GENERAL POWERS. The district has:

32 (1) the powers of a conservation and reclamation  
33 district under Section 59, Article XVI, Texas Constitution, and the  
34 general laws of this state; and

1 (2) the powers of government and the authority to  
2 exercise the rights, privileges, and functions that are conferred  
3 by this chapter and the general laws of this state. (Acts 41st  
4 Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part).)

5 Source Law

6 Sec. 1. Donna Irrigation District, Hidalgo  
7 County No. 1, . . . is [hereby created and established  
8 as] a Conservation and Reclamation District under  
9 authority of Section 59, of Article 16, of the  
10 Constitution of the State of Texas . . . with all  
11 powers granted to such Conservation Districts in the  
12 Constitution and in the General Laws of the State of  
13 Texas. . . .

14 Sec. 10. [The Legislature hereby exercises the  
15 authority upon it conferred by] Section 59, of Article  
16 16, of the Constitution of Texas, [and declares that]  
17 said Conservation and Reclamation District as above  
18 described . . . with such powers of government and  
19 with the authority to exercise such rights, privileges  
20 and functions as are conferred in this Act, the General  
21 Laws referred to above, and all amendments  
22 thereto; . . . .

23 Revisor's Note

24 (1) Section 10, Chapter 26, Special Laws, Acts  
25 of the 41st Legislature, 4th Called Session, 1930,  
26 refers to "this Act, the General Laws referred to  
27 above, and all amendments thereto." The reference to  
28 amendments is omitted from the revised law as  
29 unnecessary because Section 311.027, Government Code  
30 (Code Construction Act), applicable to this revision,  
31 states that a reference to a statute includes  
32 reenactments, revisions, or amendments of that  
33 statute.

34 (2) Section 5, Chapter 26, Special Laws, Acts of  
35 the 41st Legislature, 4th Called Session, 1930,  
36 provides that the district has the rights, powers, and  
37 privileges of a water control and improvement district  
38 organized under the general laws of this state  
39 providing for the creation and government of water  
40 control and improvement districts created under  
41 authority of Section 59, Article XVI, Texas  
42 Constitution. Water control and improvement districts

1 are governed by Chapter 51, Water Code. On December  
2 15, 1978, the board of directors of the district  
3 converted the district from a water control and  
4 improvement district to an irrigation district.  
5 Irrigation districts are governed by Chapter 58, Water  
6 Code. Accordingly, the revised law omits Section 5  
7 because the district is no longer a water control and  
8 improvement district governed by the general laws  
9 applicable to such districts. It is unnecessary to  
10 codify the references to general or particular powers  
11 of the district contained in Section 5 because the  
12 district, as a water control and improvement district,  
13 had those powers under Chapter 51, Water Code, and, as  
14 an irrigation district, has those powers under Chapter  
15 58, Water Code. The omitted law reads:

16           Sec. 5. The said Donna Irrigation  
17 District, Hidalgo County No. 1, shall have  
18 and exercise, and is hereby vested with all  
19 the rights, powers and privileges of a Water  
20 Control and Improvement District organized  
21 under the provisions of and conferred by the  
22 General Laws of this State now in force or  
23 to be hereinafter enacted, providing for  
24 the creation and government of Water  
25 Control and Improvement Districts created  
26 under authority of Section 59 of Article 16  
27 of the Constitution, and known as  
28 Conservation and Reclamation Districts,  
29 including the right and power to levy taxes  
30 and issue bonds of said District to the  
31 extent, for the purposes, and subject to the  
32 provisions and conditions under which said  
33 powers may be exercised under the General  
34 Laws of this State by Water Control and  
35 Improvement Districts not otherwise  
36 provided herein.

37                           Revisor's Note  
38                           (End of Chapter)

39           (1) The revised law omits as executed Sections  
40 2, 3, 6, 7, 8, and 9 and part of Section 10, Chapter 26,  
41 Special Laws, Acts of the 41st Legislature, 4th Called  
42 Session, 1930, which validate the action of the  
43 commissioners court of Hidalgo County, Texas, in  
44 creating the district and validate the actions of the  
45 board of directors of the district in modifying the

1 boundaries of the district to include additional  
2 territory, converting the district to a water control  
3 and improvement district under Section 59, Article  
4 XVI, Texas Constitution, issuing bonds, and levying  
5 taxes in payment of the bonds and which authorize or  
6 direct the board of directors of the district to levy  
7 taxes in an amount sufficient to pay those bonds.  
8 Section 311.031(a)(2), Government Code (Code  
9 Construction Act), applicable to the revised law,  
10 provides that the repeal of a statute does not affect  
11 any validation previously made under the statute.  
12 Furthermore, the bonds the issuance of which was  
13 validated by those sections have been paid. The  
14 omitted law reads:

15           Sec. 2. That the original  
16 organization and establishment of Donna  
17 Irrigation District, Hidalgo County No. 1,  
18 in Hidalgo County, Texas, by the  
19 Commissioners' Court of said County is  
20 hereby approved, ratified and confirmed,  
21 and the power and authority of said  
22 Commissioners' Court to create said  
23 District for the purpose of irrigating the  
24 arid, semi-arid, and other lands within  
25 said territory needing irrigation and of  
26 the drainage of its overflowed lands, and  
27 other lands needing drainage, under the  
28 provisions of Article 3, Section 52, of the  
29 Constitution of Texas, is hereby expressly  
30 approved, ratified and confirmed and the  
31 action of the Board of Directors of said  
32 District in from time to time taking in  
33 other lands or such other lands being  
34 included within the territory described in  
35 Section 1 herein is hereby expressly  
36 approved, ratified and confirmed.

37           Sec. 3. The order of the Board of  
38 Directors of said Donna Irrigation  
39 District, Hidalgo County No. 1, made on the  
40 10th day of May, 1926, converting said  
41 District into a Conservation and  
42 Reclamation District under Section 59, of  
43 Article 16, of the Constitution of the State  
44 of Texas, is hereby expressly approved,  
45 ratified and confirmed.

46           Sec. 6. That all bonds heretofore  
47 issued by said Donna Irrigation District,  
48 Hidalgo County No. 1, and now outstanding  
49 are hereby validated, confirmed and  
50 legalized and the levy and assessment of  
51 taxes in payment thereof are legalized, and  
52 said taxes in an amount sufficient to pay  
53 the principal of and interest on said



1 outstanding bonds shall be levied and  
2 assessed annually by the Board of Directors  
3 of said District and the power to levy such  
4 annual general ad valorem taxes is hereby  
5 expressly delegated to said Board of  
6 Directors.

7 Sec. 7. That the order passed by the  
8 Board of Directors of Donna Irrigation  
9 District, Hidalgo County No. 1, on the 12th  
10 day of November, 1929, wherein an election  
11 was ordered to be held in said District on  
12 the 17th day of December, 1929, for the  
13 purpose of determining whether or not the  
14 qualified property taxpaying voters of said  
15 District desire to authorize the issuance  
16 of bonds on the faith and credit of said  
17 District in the amount of \$1,700,000.00, is  
18 hereby validated, approved and legalized,  
19 and the notice of said election, the returns  
20 thereof, the order of said Board of  
21 Directors canvassing said returns, and the  
22 order passed by said Board of Directors on  
23 the 30th day of January, 1930, authorizing  
24 the issuance of such bonds to be dated the  
25 10th day of February, 1930, and to become  
26 due and payable serially within forty (40)  
27 years from their date, are hereby expressly  
28 ratified, approved and confirmed, and the  
29 power to levy annual general ad valorem  
30 taxes sufficient to pay the interest on said  
31 bonds and create a sinking fund sufficient  
32 to pay the principal thereof as it becomes  
33 due, is hereby expressly delegated to said  
34 Board of Directors.

35 Sec. 8. That ad valorem taxes  
36 sufficient to pay the principal of and  
37 interest upon said bonds, as well as for the  
38 maintenance and operation and other taxes  
39 and charges heretofore levied upon the  
40 taxable property in said District, both  
41 before and after its conversion as  
42 aforesaid, on the assessed value of said  
43 taxable property determined by the Board of  
44 Equalization of said District are hereby in  
45 all respects legalized and validated; that  
46 the action of the Boards of Equalization and  
47 the action of the Board of Directors of said  
48 District both before and after its  
49 conversion, in preparing the tax rolls of  
50 the District are hereby ratified, legalized  
51 and validated; that the values placed upon  
52 said property for the purposes of taxation  
53 by said district, both before and after its  
54 conversion, and the taxes collected thereon  
55 and levied against the property within said  
56 District are hereby found and fixed as  
57 proper amounts and are constituted the  
58 basis for such taxation and the assessment  
59 and levy of such taxes for the year 1929 and  
60 all previous years are hereby legalized,  
61 and said taxes in an amount sufficient to  
62 pay the principal on and interest of the  
63 outstanding bonds, as well as the bonds  
64 authorized by order of said Board of  
65 Directors on the 30th day of January, 1930,  
66 shall be annually levied and assessed by the  
67 Board of Directors of said District  
68 calculated upon the values of taxable  
69 property in said District as fixed by the

1 Board of Equalization, and the power to levy  
2 such general ad valorem taxes is hereby  
3 expressly delegated to said Board of  
4 Directors.

5 Sec. 9. That the orders of the  
6 Commissioners' Court of Hidalgo County with  
7 reference to the creation of said District,  
8 the orders of the Board of Directors of said  
9 District above cited, including the  
10 conversion of said District, the  
11 authorization, issuance and sale of said  
12 bonds and the levying and assessing of said  
13 taxes as the same appear upon the records of  
14 said Court or said Board, or copies thereof  
15 duly certified, are hereby constituted  
16 legal evidence of such orders and shall be  
17 the authority for said Board to annually  
18 levy, assess and collect taxes as  
19 hereinabove provided.

20 Sec. 10. [The Legislature . . .  
21 declares] . . . that it is and has been  
22 legal and valid from the date it was created  
23 by the Commissioners' Court of Hidalgo  
24 County, Texas; that it has been a legal and  
25 valid Water Control and Improvement  
26 District since its conversion on May 10,  
27 1926, and confirms and ratifies said  
28 proceedings of said Court and of said Board  
29 of Directors in respect of the creation of  
30 the District and authorizing the issuance  
31 of said bonds, the levy of taxes to pay the  
32 principal thereof and the interest thereon  
33 with like effect as though at the time or  
34 times said acts and proceedings were done  
35 and had there existed statutory authority  
36 for the doing thereof.

37 (2) Section 4, Chapter 26, Special Laws, Acts of  
38 the 41st Legislature, 4th Called Session, 1930,  
39 provides that the management and control of the  
40 district is vested in a board of five directors. On  
41 December 15, 1978, the board of directors of the  
42 district converted the district from a water control  
43 and improvement district to an irrigation district.  
44 Irrigation districts are governed by Chapter 58, Water  
45 Code. Section 58.071, Water Code, provides that the  
46 governing body of an irrigation district is a board  
47 consisting of five directors. It is unnecessary to  
48 repeat that provision in this chapter. The omitted law  
49 reads:

50 Sec. 4. The management and control of  
51 the said Donna Irrigation District, Hidalgo  
52 County No. 1, is hereby vested in a Board of  
53 Directors, which Board shall be composed of  
54 five persons . . . .

1           (3) Section 4, Chapter 26, Special Laws, Acts of  
2 the 41st Legislature, 4th Called Session, 1930,  
3 provides that directors must possess the same  
4 qualifications as and have the same powers and  
5 authority as directors of a water control and  
6 improvement district organized under Chapter 25,  
7 General Laws, Acts of the 39th Legislature, Regular  
8 Session, 1925 (Article 7880-1 et seq., Vernon's Texas  
9 Civil Statutes). That statute was codified in 1971 as  
10 Chapter 51, Water Code. On December 15, 1978, the  
11 board of directors of the district converted the  
12 district from a water control and improvement district  
13 to an irrigation district. Irrigation districts are  
14 governed by Chapter 58, Water Code, and that chapter  
15 prescribes the qualifications, powers, and authority  
16 of the district's directors. Because the district is  
17 no longer a water control and improvement district  
18 subject to the general law governing such districts  
19 and because Chapter 58, Water Code, prescribes  
20 parallel provisions, the revised law omits the  
21 relevant portion of Section 4. The omitted law reads:

22           Sec. 4. . . . who shall possess the  
23 same qualifications and who shall have the  
24 same powers and authority conferred upon  
25 the Boards of Directors of Water Control and  
26 Improvement Districts organized under the  
27 provisions of Chapter 25 of the General Laws  
28 of the 39th Legislature of the State of  
29 Texas. . . .

30           (4) Section 4, Chapter 26, Special Laws, Acts of  
31 the 41st Legislature, 4th Called Session, 1930,  
32 requires the directors of the district to discharge  
33 their duties during 1930 and until their successors  
34 are elected and have qualified. The revised law omits  
35 the relevant portion of Section 4 because it is  
36 executed. The omitted law reads:

37           Sec. 4. . . . The five Directors of  
38 said District now in office shall discharge  
39 the duties of Directors of said District

1 during the year 1930 and until their  
2 successors are elected and have qualified  
3 in the manner and in the time provided by  
4 said Chapter.

5 (5) Section 11, Chapter 26, Special Laws, Acts  
6 of the 41st Legislature, 4th Called Session, 1930,  
7 states that the constitutional notice requirements for  
8 local and special laws have been met. The revised law  
9 omits the section as executed. The omitted law reads:

10 Sec. 11. Proof of publication of the  
11 Constitutional notice required in the  
12 enactment of local and special laws has been  
13 made in the manner and form provided by law.

14 (6) Section 12, Chapter 26, Special Laws, Acts  
15 of the 41st Legislature, 4th Called Session, 1930;  
16 Section 4, Chapter 108, Acts of the 56th Legislature,  
17 Regular Session, 1959; Section 2, Chapter 133, Acts of  
18 the 57th Legislature, Regular Session, 1961; and  
19 Section 3, Chapter 247, Acts of the 57th Legislature,  
20 Regular Session, 1961, provide for the suspension of a  
21 constitutional rule requiring bills to be read on  
22 three several days and provide for immediate effect.  
23 The revised law omits those provisions as executed.  
24 The omitted law reads:

25 [Acts 41st Leg., 4th C.S., Ch. 26, S.L.]  
26 Sec. 12. . . . creates an emergency  
27 and an imperative public necessity  
28 requiring the suspension of the  
29 Constitutional Rule requiring bills to be  
30 read on three several days, and such Rule is  
31 hereby suspended, and that this Act take  
32 effect from and after its passage, and it is  
33 so enacted.

34 [Acts 56th Leg., R.S., Ch. 108]  
35 Sec. 4. The inclusion in said  
36 District of the lands comprising said City  
37 of Donna which is urban territory renders it  
38 impossible for the District to obtain an  
39 urgently needed loan of funds under the  
40 Federal Small Reclamation Projects Act for  
41 the rehabilitation of the District's worn  
42 out irrigation system, without placing an  
43 undue and unjust tax burden and lien on  
44 property within said City, now a part of  
45 said District, creates an emergency and  
46 imperative public necessity that the  
47 Constitutional Rule requiring bills to be  
48 read on three several days in each House be  
49 suspended; and the same is hereby  
50 suspended; and this Act shall take effect

1 and be in force from and after its passage;  
2 and it is so enacted.

3 [Acts 57th Leg., R.S., Ch. 133]

4 Sec. 2. Because said parcel of land  
5 has heretofore lain outside the territorial  
6 limits of said District, the District has  
7 been prevented from holding its elections  
8 in its said buildings located thereon, by  
9 that provision of law requiring all  
10 District elections to be held within the  
11 territorial limits of such District, which  
12 fact causes expense and great  
13 inconvenience, and creates an emergency and  
14 an imperative public necessity that the  
15 Constitutional Rule requiring bills to be  
16 read on three several days in each House be  
17 suspended, and the same is hereby  
18 suspended, and this Act shall take effect  
19 and be in force from and after its passage,  
20 and it is so enacted.

21 [Acts 57th Leg., R.S., Ch. 247]

22 Sec. 3. Because said land has now  
23 been subdivided into small residential lots  
24 and will not hereafter require irrigation  
25 water from said District, but the same  
26 cannot be removed from the District's flat  
27 rate assessment rolls except and unless  
28 said land be removed and excluded from said  
29 District, such fact creates an emergency  
30 and imperative public necessity that the  
31 Constitutional Rule requiring bills to be  
32 read on three several days in each House be  
33 suspended, and the same is hereby  
34 suspended, and that this Act take effect and  
35 be in force from and after its passage, and  
36 it is so enacted.

37 (7) Section 2, Chapter 108, Acts of the 56th  
38 Legislature, Regular Session, 1959, and Section 2,  
39 Chapter 247, Acts of the 57th Legislature, Regular  
40 Session, 1961, provide for the continued taxation by  
41 the district of certain parcels of land excluded from  
42 the district until the retirement of certain bonds and  
43 of certain debt owed to the United States. The revised  
44 law omits those provisions as executed because the  
45 bonds and the debt owed to the United States have been  
46 paid. The omitted law reads:

47 [Acts 56th Leg., R.S., Ch. 108]

48 Sec. 2. The property now comprising  
49 said City of Donna, which is hereby detached  
50 and excluded from said District, shall not  
51 be released from payment of annual ad  
52 valorem taxes to be levied, assessed and  
53 collected for the payment of its  
54 proportionate share of the presently  
55 outstanding bonded indebtedness of said  
56 District, but said District shall continue

1 to levy, assess and collect ad valorem taxes  
2 annually on such excluded property at the  
3 same rate as is levied on other property  
4 remaining in said District, until such  
5 taxes so collected shall equal the share of  
6 such bonded indebtedness chargeable to said  
7 excluded property at the time of its  
8 exclusion hereunder. The taxes so  
9 collected shall be charged only with the  
10 cost of levying and collecting same, and the  
11 net balance shall be applied exclusively to  
12 the payment of said property's  
13 proportionate share of said indebtedness.  
14 After such proportionate share of said  
15 indebtedness has been paid, said District  
16 shall levy, assess and collect no further  
17 taxes on property within said City,  
18 whatsoever, and property in the City of  
19 Donna shall thereafter not be liable for any  
20 obligations of the District thereafter  
21 issued or voted. Nothing herein shall be  
22 construed or have effect to prevent the  
23 owner of any of such excluded property from  
24 paying in full, at any time, the  
25 proportionate share of said indebtedness,  
26 including principal and interest,  
27 chargeable against his particular property  
28 so excluded.

29 [Acts 57th Leg., R.S., Ch. 247]

30 Sec. 2. Said parcel of land which is  
31 hereby removed and excluded from said  
32 District shall not be released from the  
33 payment of its proportionate share of the  
34 presently outstanding bonded indebtedness  
35 of said District, or of its proportionate  
36 share of the indebtedness due or to become  
37 due to the United States under that certain  
38 repayment contract between said District  
39 and the United States, No. 14-06-500-404,  
40 dated October 13, 1959, but said District  
41 shall continue to levy, assess and collect  
42 ad valorem taxes annually on such excluded  
43 land at the same rate as is levied, assessed  
44 and collected on other land remaining in  
45 said District, until such taxes so  
46 collected shall equal the share of such  
47 presently outstanding bonded indebtedness  
48 and such contract indebtedness due or to  
49 become due to the United States, chargeable  
50 to said excluded land. The taxes so  
51 collected shall be charged only with the  
52 cost of levying and collecting the same, and  
53 the net balance shall be applied  
54 exclusively to the payment of said land's  
55 proportionate share of all of said  
56 indebtedness. After such proportionate  
57 share of all of said indebtedness has been  
58 fully paid, said District shall levy and  
59 collect no further taxes whatsoever on said  
60 land, and said land shall thereafter not be  
61 liable for any obligations of said District  
62 voted or issued.

63 (8) Section 3, Chapter 108, Acts of the 56th  
64 Legislature, Regular Session, 1959, requires the board  
65 of directors of the district to hold an election within

1 30 days on the question of whether the city of Donna  
2 should be excluded from the district. The election was  
3 held, and the voters approved the exclusion of the city  
4 from the district. The revised law omits Section 3 as  
5 executed. The omitted law reads:

6           Sec. 3. It shall be the duty of the  
7 Board of Directors of said District, within  
8 thirty (30) days after the passage of this  
9 Act, to order an election, publish notice  
10 thereof, and cause the same to be held in  
11 and for said District, in the manner  
12 prescribed by law for District elections,  
13 for the purpose of submitting to the  
14 qualified voters of said District the  
15 question whether or not the provisions of  
16 this Act shall be accepted and become  
17 operative in and for said District. Said  
18 Board of Directors shall cause to be  
19 prepared for use in said election, official  
20 ballots on which shall be printed the two  
21 (2) propositions to be voted upon, as  
22 follows:

23           "FOR Excluding City of Donna".

24           "AGAINST Excluding City of Donna."

25           Such Ballots shall have printed  
26 thereon also the following instruction to  
27 voters: Scratch or mark out one statement,  
28 so that the one remaining shall indicate the  
29 way you wish to vote. If upon the canvass of  
30 the returns of said election by said Board  
31 of Directors it appears that a majority of  
32 the votes cast favors excluding the City of  
33 Donna from said District, then said Board  
34 shall so declare, and the provisions of this  
35 Act shall be deemed accepted and operative  
36 from and after the date of the canvass; and  
37 if a majority of the votes cast shall be  
38 against excluding said City of Donna from  
39 said District, then said Board shall so  
40 declare, and the provisions of this Act  
41 shall be deemed rejected and of no operative  
42 effect.

43           (9) Section 3a, Chapter 108, Acts of the 56th  
44 Legislature, Regular Session, 1959, provides that the  
45 act may not be construed to abridge or impair any  
46 existing property rights. The revised law omits this  
47 provision as unnecessary because it duplicates in  
48 substance provisions of the Constitution of the United  
49 States and of the Texas Constitution. Section 10,  
50 Article I, United States Constitution, prohibits a  
51 state from passing a law impairing the obligation of  
52 contracts. Section 16, Article I, Texas Constitution,

1 prohibits any retroactive law or law impairing the  
 2 obligation of contracts. The Fourteenth Amendment to  
 3 the United States Constitution prohibits a state from  
 4 depriving a person of property without due process of  
 5 law. Section 19, Article I, Texas Constitution,  
 6 prohibits a citizen of this state from being deprived  
 7 of property except by the due course of the law of the  
 8 land. The policy of the legislative council's  
 9 statutory revision program is to omit from the revised  
 10 codes the duplicating statutory provisions because a  
 11 statute that tracks the language of the constitution  
 12 not only is superfluous but may foster the erroneous  
 13 belief that a constitutional requirement is merely  
 14 statutory and subject to amendment through the  
 15 ordinary legislative process. The omitted law reads:

16 Sec. 3a. Nothing in this Act shall be  
 17 held or construed to abridge or impair any  
 18 existing property rights.

19 CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY OF COMANCHE  
 20 COUNTY, TEXAS

21 SUBCHAPTER A. GENERAL PROVISIONS

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29		SUBCHAPTER A. GENERAL PROVISIONS	
30		<u>Revised Law</u>	
31	Sec. 7502.001.	DEFINITIONS. In this chapter:	
32		(1) "Authority" means the Lake Proctor Irrigation	
33		Authority of Comanche County, Texas.	
34		(2) "Board" means the board of directors of the	

1 authority.

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

4 (4) "Director" means a member of the board. (Acts 71st  
5 Leg., R.S., Ch. 522, Sec. 1 (part); New.)

6 Source Law

7 Sec. 1. . . . Lake Proctor Irrigation Authority  
8 of Comanche County, Texas, hereinafter referred to as  
9 "authority."

10 Revisor's Note

11 (1) The definitions of "board," "commission,"  
12 and "director" are added to the revised law for  
13 drafting convenience and to eliminate frequent,  
14 unnecessary repetition of the substance of the  
15 definitions.

16 (2) Section 2, Chapter 522, Acts of the 71st  
17 Legislature, Regular Session, 1989, refers to the  
18 "Texas Water Commission." The revised law adds a  
19 definition of "commission," meaning the "Texas  
20 Commission on Environmental Quality." The name of the  
21 Texas Water Commission was changed to the Texas  
22 Natural Resource Conservation Commission by Section  
23 1.085, Chapter 3, Acts of the 72nd Legislature, 1st  
24 Called Session, 1991. Effective January 1, 2004, the  
25 name of the Texas Natural Resource Conservation  
26 Commission was changed to the Texas Commission on  
27 Environmental Quality by Section 18.01, Chapter 965,  
28 Acts of the 77th Legislature, Regular Session, 2001.  
29 Throughout this chapter, references to the "Texas  
30 Water Commission" have been changed accordingly.

31 Revised Law

32 Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL SUBDIVISION.  
33 The Lake Proctor Irrigation Authority of Comanche County, Texas,  
34 is:

35 (1) a conservation and reclamation district under

1 Section 59, Article XVI, Texas Constitution; and

2 (2) a political subdivision of this state. (Acts 71st  
3 Leg., R.S., Ch. 522, Sec. 1 (part).)

4 Source Law

5 Sec. 1. . . . a conservation and reclamation  
6 district operating and existing under Article XVI,  
7 Section 59, of the Texas Constitution as a  
8 governmental agency, a body politic and corporate, and  
9 a political subdivision of this state designated as  
10 Lake Proctor Irrigation Authority of Comanche County,  
11 Texas . . . .

12 Revisor's Note

13 (1) Section 1, Chapter 522, Acts of the 71st  
14 Legislature, Regular Session, 1989, refers to the  
15 conversion of the Erath County Water Control and  
16 Improvement District No. 1. The revised law omits the  
17 reference as executed at the time of the conversion of  
18 the Erath County Water Control and Improvement  
19 District No. 1 into the Lake Proctor Irrigation  
20 Authority of Comanche County, Texas. The omitted law  
21 reads:

22 Sec. 1. Erath County Water Control  
23 and Improvement District No. 1, hereinafter  
24 referred to as "district," is declared to be  
25 a validly existing conservation and  
26 reclamation district and is reorganized and  
27 converted to . . . .

28 (2) Section 1, Chapter 522, Acts of the 71st  
29 Legislature, Regular Session, 1989, provides that the  
30 authority is a "conservation and reclamation district  
31 operating and existing . . . as a governmental agency  
32 [and] a body politic and corporate." The revised law  
33 omits the references to "governmental agency" and  
34 "body politic and corporate" because those references  
35 duplicate a portion of Section 59(b), Article XVI,  
36 Texas Constitution, which provides that a conservation  
37 and reclamation district is a governmental agency and  
38 a body politic and corporate.

39 Revised Law

40 Sec. 7502.003. LEGISLATIVE FINDINGS. The legislature finds

1 that:

2 (1) this chapter will accomplish the purposes of  
3 Section 59, Article XVI, Texas Constitution;

4 (2) all land and other property included in the  
5 authority's boundaries will benefit from the works, projects, and  
6 operations of the authority; and

7 (3) the authority serves a public use and benefit.  
8 (Acts 71st Leg., R.S., Ch. 522, Sec. 7 (part).)

9 Source Law

10 Sec. 7. The legislature finds that the purposes  
11 of Article XVI, Section 59, of the Texas Constitution  
12 will be accomplished by this Act and that all land and  
13 other property included in the authority's boundaries  
14 will be benefitted by the works, projects, and  
15 operations to be accomplished by the authority, and  
16 that the authority serves a public use and benefit.  
17 . . .

18 Revisor's Note

19 Section 7, Chapter 522, Acts of the 71st  
20 Legislature, Regular Session, 1989, states that  
21 certain provisions of the Texas Constitution that  
22 require notice for local and special laws have been  
23 met. The revised law omits this portion of Section 7  
24 as executed. Section 7 also contains a legislative  
25 finding that "the legislature has the authority to  
26 enact" Chapter 522. The revised law omits this finding  
27 by the legislature as executed and because the finding  
28 has no substantive effect. The omitted law reads:

29 Sec. 7. . . . The legislature  
30 further finds the requirements of Article  
31 XVI, Sections 59(d) and 59(e), of the Texas  
32 Constitution have been met and that the  
33 legislature has the authority to enact this  
34 Act.

35 Revised Law

36 Sec. 7502.004. AUTHORITY BOUNDARIES. (a) The authority is  
37 composed of the territory described by Section 4(a), Chapter 522,  
38 Acts of the 71st Legislature, Regular Session, 1989, as that  
39 territory may have been modified under:

40 (1) Subchapter N, Chapter 58, Water Code;

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

2 (3) other law.

3 (b) The legislature finds that the boundaries of the  
4 authority form a closure. If any mistake exists in the description  
5 of the authority's boundaries, the mistake does not affect:

6 (1) the authority's organization, existence, or  
7 validity; or

8 (2) the exercise of a power, function, or purpose by  
9 the authority under this chapter. (Acts 71st Leg., R.S., Ch. 522,  
10 Sec. 4(b); New.)

11 Source Law

12 (b) It is declared that the boundaries of the  
13 authority form a closure and that if there is any  
14 mistake in the description, the mistake does not  
15 affect the organization, existence, and validity of  
16 the authority in the exercise of any powers,  
17 functions, purpose, or authority provided by this Act.

18 Revisor's Note

19 (1) The revised law does not revise the  
20 statutory language describing the territory of the  
21 authority to avoid the lengthy recitation of the  
22 description and because that description may not be  
23 accurate on the effective date of the revision or at  
24 the time of a later reading. For the reader's  
25 convenience, the revised law includes a reference to  
26 the statutory description of the authority's territory  
27 and references to statutory authority to change the  
28 district's territory under Subchapter J, Chapter 49,  
29 Water Code, applicable to the authority under Sections  
30 49.001 and 49.002 of that chapter. The revised law  
31 also includes a reference to Subchapter N, Chapter 58,  
32 Water Code, applicable to the authority under Section  
33 2, Chapter 522, Acts of the 71st Legislature, Regular  
34 Session, 1989 (revised in this chapter as Section  
35 7502.101). The revised law also includes a reference  
36 to the general authority of the legislature to enact  
37 other laws to change the authority's territory.

1           (2) Section 4(b), Chapter 522, Acts of the 71st  
2           Legislature, Regular Session, 1989, refers to "powers,  
3           functions, purpose, or authority" exercised by the  
4           authority. The revised law omits "authority" from the  
5           quoted language because, in context, "authority" is  
6           included in the meanings of "powers" and "functions."

7                           Revisor's Note  
8                           (End of Subchapter)

9           (1) Section 2, Chapter 522, Acts of the 71st  
10           Legislature, Regular Session, 1989, provides that the  
11           authority is subject to the continuing right of  
12           supervision of the state by the Texas Water  
13           Commission. The revised law omits this provision as  
14           unnecessary. As explained by Revisor's Note (2) to  
15           Section 7502.001, the Texas Commission on  
16           Environmental Quality is the successor to the Texas  
17           Water Commission. Section 2 duplicates, in substance,  
18           part of Section 12.081, Water Code, applicable to the  
19           authority, which provides for such supervision. The  
20           omitted law reads:

21                           Sec. 2. . . . The authority is  
22                           subject to the continuing right of  
23                           supervision of the state to be exercised by  
24                           the Texas Water Commission.

25           (2) Section 10, Chapter 522, Acts of the 71st  
26           Legislature, Regular Session, 1989, provides that the  
27           authority does not have to hold a confirmation  
28           election. The revised law omits this provision as  
29           executed at the time of the conversion of the Erath  
30           County Water Control and Improvement District No. 1  
31           into the Lake Proctor Irrigation Authority of Comanche  
32           County, Texas. The omitted law reads:

33                           Sec. 10. It is not necessary for the  
34                           authority to hold a confirmation election.

35           [Sections 7502.005-7502.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Revised Law

3 Sec. 7502.051. COMPOSITION. The board consists of five  
4 directors. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(a) (part).)

5 Source Law

6 Sec. 8. (a) All powers of the authority shall  
7 be exercised by a board of five directors, . . . .

8 Revisor's Note

9 Section 8(a), Chapter 522, Acts of the 71st  
10 Legislature, Regular Session, 1989, provides in part  
11 that "all powers of the authority shall be exercised  
12 by" a board of five directors. The revised law omits  
13 the quoted language because Section 58.071, Water  
14 Code, applicable to the revised law, provides that the  
15 governing body of an irrigation district is the board  
16 of directors. It is unnecessary to repeat that  
17 provision in this chapter.

18 Revised Law

19 Sec. 7502.052. QUALIFICATIONS. A director must:

20 (1) be at least 18 years of age; and

21 (2) own land, or an interest in land in the authority,  
22 directly or as an interest in an entity owning that land at the time  
23 of the person's appointment as a director. (Acts 71st Leg., R.S.,  
24 Ch. 522, Sec. 8(a) (part).)

25 Source Law

26 Sec. 8. (a) [All powers of the authority shall  
27 be exercised by a board of five directors,] each of  
28 whom must own land in the authority, or an interest in  
29 land in the authority, either directly or as an  
30 interest in an entity owning that land at the time of  
31 the person's appointment as a director, and who are at  
32 least 18 years of age.

33 Revised Law

34 Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION;  
35 TERM. The commission shall:

36 (1) appoint a person recommended to the board under  
37 Section 7502.054 or 7502.055 for a four-year term; or

38 (2) reject the person recommended. (Acts 71st Leg.,

1 R.S., Ch. 522, Secs. 8(b) (part), (c) (part).)

2 Source Law

3 (b) . . . the Texas Water Commission shall  
4 appoint all future directors for four-year terms.

5 (c) . . . [The board of directors shall submit  
6 the recommendations to the Texas Water Commission,  
7 which shall either appoint or reject each person  
8 recommended for appointment. . . .

9 Revisor's Note

10 Section 8(b), Chapter 522, Acts of the 71st  
11 Legislature, Regular Session, 1989, refers to "future"  
12 directors. The revised law omits "future" as  
13 unnecessary because the revised law omits that portion  
14 of the source law relating to the appointment of the  
15 initial board.

16 Revised Law

17 Sec. 7502.054. RECOMMENDATION BY LANDOWNERS. (a) The  
18 board shall seek recommendations from the landowners in the  
19 authority for the appointment of directors. The board shall take a  
20 recommendation for each director whose term expires in January  
21 following the annual board meeting held in odd-numbered years.

22 (b) To determine a recommendation, the board shall conduct a  
23 written poll of the landowners in the authority in attendance at the  
24 annual board meeting held in odd-numbered years.

25 (c) For each recommendation taken, a landowner is entitled  
26 to one vote for each acre of land the person owns in the authority.  
27 Cumulative voting for recommendations is not permitted.

28 (d) The board shall submit to the Texas Commission on  
29 Environmental Quality the name of the person receiving the most  
30 votes for each recommendation taken. (Acts 71st Leg., R.S., Ch.  
31 522, Sec. 8(c) (part).)

32 Source Law

33 (c) At the annual meeting of the board of  
34 directors held in odd-numbered years, the board of  
35 directors shall conduct a written poll of the owners of  
36 land in the authority who are in attendance to  
37 determine recommendations for appointment of  
38 directors. Each owner of land is entitled to one vote  
39 for each acre of land owned in the authority on each  
40 director position that expires the following January.  
41 Cumulative voting for directors is not permitted. The



1 three persons or two persons, as appropriate,  
2 receiving the highest number of votes at the meeting  
3 shall be recommended for appointment as directors of  
4 the district. The board of directors shall submit the  
5 recommendations to the Texas Water Commission, . . . .  
6 A written poll shall be conducted at the special  
7 meeting and the result submitted to the Texas Water  
8 Commission in the same manner provided for a written  
9 poll held at a regular annual meeting held in  
10 odd-numbered years. The process shall be repeated  
11 until the appropriate number of directors is  
12 appointed.

13 Revised Law

14 Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING  
15 REJECTION BY COMMISSION. (a) If the commission rejects a  
16 recommendation submitted by the board, the board shall hold a  
17 special meeting of landowners not later than the 20th day after the  
18 date notice of the meeting is mailed to the landowners in the  
19 authority.

20 (b) At the special meeting, the board shall conduct a  
21 written poll and submit the results of the poll to the commission in  
22 the same manner as the poll conducted at the annual meeting.

23 (c) The board shall hold subsequent special meetings as  
24 needed for the appointment of the appropriate number of directors.  
25 (Acts 71st Leg., R.S., Ch. 522, Sec. 8(c) (part).)

26 Source Law

27 (c) . . . If the Texas Water Commission rejects  
28 a person recommended for appointment, the board of  
29 directors shall hold a special meeting of landowners  
30 not later than the 20th day after the date notice of  
31 the special meeting is mailed to all landowners in the  
32 authority. A written poll shall be conducted at the  
33 special meeting and the result submitted to the Texas  
34 Water Commission in the same manner provided for a  
35 written poll held at a regular annual meeting held in  
36 odd-numbered years. The process shall be repeated  
37 until the appropriate number of directors is  
38 appointed.

39 Revised Law

40 Sec. 7502.056. VACANCIES. A vacancy on the board is filled  
41 for the remainder of the unexpired term by appointment by:

42 (1) the remaining directors, if three or more  
43 directors remain on the board; or

44 (2) the Texas Commission on Environmental Quality, if  
45 fewer than three directors remain on the board. (Acts 71st Leg.,  
46 R.S., Ch. 522, Sec. 8(d).)

1 Source Law

2 (d) Vacancies on the board of directors shall be  
3 filled by appointment for the unexpired term by the  
4 remaining directors unless the number of directors is  
5 less than three. If the number of directors is less  
6 than three, all vacancies shall be filled by  
7 appointment for the unexpired term by the Texas Water  
8 Commission.

9 Revised Law

10 Sec. 7502.057. COMPENSATION. Unless the board by  
11 resolution increases the fee to an amount authorized by Section  
12 49.060, Water Code, each director shall receive a fee of \$50 for  
13 each day spent performing official duties as a director, not to  
14 exceed \$200 per month. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(f)  
15 (part).)

16 Source Law

17 (f) Each director . . . shall be compensated  
18 \$50 a day for each day, not to exceed \$200 per month,  
19 spent performing official duties as a director.

20 Revisor's Note

21 (1) Section 8(f), Chapter 522, Acts of the 71st  
22 Legislature, Regular Session, 1989, provides in part  
23 for a \$50 director's fee for each day a director spends  
24 performing official duties. Section 49.060, Water  
25 Code, enacted in 1995 and applicable to the authority  
26 by operation of Sections 49.001 and 49.002, Water  
27 Code, authorizes higher fees. Section 49.060(e),  
28 however, provides that if the amount of the fee set by  
29 Section 49.060 would result in a fee increase, the  
30 increase does not apply to a district unless the  
31 district's board by resolution adopts a higher fee.  
32 The revised law is drafted accordingly.

33 (2) Section 8(f), Chapter 522, Acts of the 71st  
34 Legislature, Regular Session, 1989, provides in part  
35 for reimbursement of expenses incurred in a director's  
36 performing official duties. The revised law omits the  
37 provision because it is expressly superseded by  
38 Section 49.060, Water Code. (See Revisor's Note (1).)

1 The omitted law reads:

2 (f) [Each director] shall be  
3 reimbursed for all expenses incurred in  
4 performing official duties and . . . .

5 Revised Law

6 Sec. 7502.058. REGULAR BOARD MEETINGS. The board shall  
7 hold regular meetings at least annually. (Acts 71st Leg., R.S., Ch.  
8 522, Sec. 8(g) (part).)

9 Source Law

10 (g) . . . The board of directors shall hold  
11 regular meetings at least annually and . . . .

12 Revisor's Note  
13 (End of Subchapter)

14 (1) Section 8(b), Chapter 522, Acts of the 71st  
15 Legislature, Regular Session, 1989, provides for the  
16 transition between the board of directors of the Erath  
17 County Water Control and Improvement District No. 1  
18 and the board of the authority. The revised law omits  
19 these provisions as executed. The omitted law reads:

20 (b) All qualified directors serving  
21 at the time this Act takes effect shall  
22 continue as directors until the third  
23 Saturday in January 1990, at which time the  
24 Texas Water Commission shall appoint three  
25 directors for a four-year term and two  
26 directors for an initial term of two years.  
27 The board shall reorganize as soon as  
28 practicable after the effective date of  
29 this Act and elect new officers. On the  
30 expiration of the terms of the two directors  
31 appointed to serve two-year terms in  
32 January 1990, [the Texas Water Commission  
33 shall appoint all future directors for  
34 four-year terms].

35 (2) Section 8(e), Chapter 522, Acts of the 71st  
36 Legislature, Regular Session, 1989, states that  
37 "[t]hree directors constitute a quorum for a meeting  
38 and concurrence of three directors is necessary in all  
39 authority matters." The revised law omits the quoted  
40 language as duplicative of general law. Section  
41 311.013, Government Code (Code Construction Act),  
42 applicable to the revised law, provides that a  
43 majority of a board or commission constitutes a

1 quorum. In addition, Section 49.053, Water Code,  
2 provides that a majority of a board constitutes a  
3 quorum and that concurrence of a majority of the board  
4 is sufficient for transacting authority business.  
5 Chapter 49, Water Code, applies to the authority under  
6 Sections 49.001 and 49.002, Water Code. Therefore, it  
7 is not necessary to revise statutes that duplicate  
8 provisions in that chapter. Throughout this chapter,  
9 provisions that duplicate provisions in Chapter 49,  
10 Water Code, have been omitted. The relevant sections  
11 of Chapter 49, Water Code, are cited in revisor's  
12 notes. The omitted law reads:

13 (e) Three directors constitute a  
14 quorum for a meeting and concurrence of  
15 three directors is necessary in all  
16 authority matters. . . .

17 (3) Section 8(g), Chapter 522, Acts of the 71st  
18 Legislature, Regular Session, 1989, requires the board  
19 to designate an authority office and official place or  
20 places for board meetings. The revised law omits that  
21 provision because it duplicates, in substance,  
22 portions of Sections 49.062(a) and (b), Water Code.  
23 The omitted law reads:

24 (g) The board of directors shall  
25 designate an authority office and shall  
26 designate the official place or places for  
27 its meetings. . . .

28 (4) Section 8(g), Chapter 522, Acts of the 71st  
29 Legislature, Regular Session, 1989, authorizes the  
30 board to hold meetings outside the boundaries of the  
31 authority, to hold special meetings, and to hold  
32 meetings at times and places determined by the board.  
33 Section 8(g) also directs the board to give proper  
34 notice of a meeting. The revised law omits these  
35 provisions because they duplicate, in substance,  
36 portions of Sections 49.062(b), 49.063, and 49.064,  
37 Water Code. The omitted law reads:

1 (g) . . . Board of directors meetings  
2 need not be held within the boundaries of  
3 the authority. [The board of directors]  
4 . . . may hold special meetings as  
5 necessary, all at times and places the board  
6 determines after giving proper notice of  
7 the meeting.

8 [Sections 7502.059-7502.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Revised Law

11 Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES,  
12 FUNCTIONS, AND DUTIES. The authority has the rights, powers,  
13 privileges, functions, and duties provided by general law,  
14 including Chapter 58, Water Code, applicable to irrigation  
15 districts. (Acts 71st Leg., R.S., Ch. 522, Sec. 2 (part).)

16 Source Law

17 Sec. 2. The authority has the rights, powers,  
18 privileges, authority, functions, and duties  
19 conferred by general law, including those contained in  
20 Chapter 58, Water Code, applicable to irrigation  
21 districts, but . . . .

22 Revisor's Note

23 (1) Section 2, Chapter 522, Acts of the 71st  
24 Legislature, Regular Session, 1989, refers to the  
25 "powers" and "authority" of the authority. The  
26 revised law omits the reference to "authority" as  
27 unnecessary because "authority" is included in the  
28 meaning of "powers."

29 (2) Section 2, Chapter 522, Acts of the 71st  
30 Legislature, Regular Session, 1989, provides that the  
31 act prevails over conflicting general law. The  
32 revised law omits the quoted language because, under  
33 general rules of statutory construction, a statute  
34 automatically has the effect of repealing prior  
35 conflicting enactments and is ineffective to repeal  
36 subsequent legislation. Furthermore, Section  
37 311.026, Government Code (Code Construction Act),  
38 provides that if there is a conflict between a general  
39 provision of law and a special provision, the special  
40 provision prevails unless the general provision is the

1 later enactment and the manifest intent is that the  
2 general provision prevail. The omitted law reads:

3 Sec. 2. . . . if any provision of the  
4 general law is in conflict or inconsistent  
5 with this Act, this Act prevails. . . .

6 Revised Law

7 Sec. 7502.102. GENERAL POWERS OF BOARD. The board shall  
8 provide for:

- 9 (1) the proper execution of all contracts,  
10 disbursements, and transfers;  
11 (2) the investment of money; and  
12 (3) the handling of any other matter authorized by the  
13 board and recorded in the official minutes of the authority. (Acts  
14 71st Leg., R.S., Ch. 522, Sec. 8(e) (part).)

15 Source Law

16 (e) . . . The board of directors shall provide  
17 for the proper execution of all contracts,  
18 disbursements, and transfers, and the investment of  
19 funds, or the handling of any other matters authorized  
20 by the board of directors and recorded in the official  
21 minutes of the authority.

22 Revised Law

23 Sec. 7502.103. AWARD OF CERTAIN CONTRACTS. (a) The  
24 authority may award a contract for more than \$25,000 for the  
25 construction of water system improvements or the purchase of  
26 materials and machinery only after publishing notice of the  
27 proposed construction or purchase contract in a newspaper of  
28 general circulation in Comanche County.

29 (b) Notice under Subsection (a) must be published once a  
30 week for two consecutive weeks, with the first publication  
31 occurring at least 14 days before the date sealed bids are opened.  
32 (Acts 71st Leg., R.S., Ch. 522, Sec. 9.)

33 Source Law

34 Sec. 9. A contract of the authority in excess of  
35 \$25,000 for the construction of water system  
36 improvements or the purchase of materials and  
37 machinery shall be awarded only after publishing  
38 notice of the proposed construction or purchase  
39 contract in a newspaper of general circulation in  
40 Comanche County, Texas, once a week for two  
41 consecutive weeks, with the first publication  
42 occurring at least 14 days before the opening of sealed

1 bids.

2 Revised Law

3 Sec. 7502.104. EXCLUSION OF LAND. (a) If the authority has  
4 no outstanding bonds, the board may exclude land or other property  
5 from the authority under Subchapter J, Chapter 49, Water Code.

6 (b) The board may require a petitioner for exclusion to:

7 (1) pay the authority:

8 (A) the fair market value of submains, lateral  
9 lines, surface lines, and emitters located on land disannexed from  
10 the authority; and

11 (B) the actual cost of disconnecting submains,  
12 lateral lines, surface lines, and emitters located on land  
13 disannexed from the authority; and

14 (2) provide, without charge, an easement across the  
15 excluded land if, in the opinion of the board, the easement is  
16 necessary for the authority to continue to serve other property in  
17 the authority effectively and efficiently.

18 (c) For purposes of Subsection (b), the fair market value  
19 must be determined by an independent appraisal unless the fair  
20 market value is mutually agreed on. (Acts 71st Leg., R.S., Ch. 522,  
21 Secs. 6(b), (c), 13(a) (part), (b).)

22 Source Law

23 [Sec. 6]

24 (b) The board of directors may require fair  
25 market value payment for submains, lateral lines,  
26 surface lines, and emitters located on land disannexed  
27 from the authority. The fair market value shall be  
28 determined by an independent appraisal unless the fair  
29 market value can be mutually agreed on.

30 (c) The board of directors may require payment  
31 of the actual cost of disconnecting submains, lateral  
32 lines, surface lines, and emitters located on land  
33 disannexed from the authority.

34 Sec. 13. (a) . . . for so long as the authority  
35 has no outstanding bonds, the provisions for excluding  
36 land or other property from the authority contained in  
37 Sections 58.691 through 58.701, Water Code, are  
38 applicable. In addition to those provisions, the  
39 board of directors may require any petitioner for  
40 exclusion to make payment to the authority in the same  
41 manner provided for disannexations under Sections 6(b)  
42 and (c) of this Act.

43 (b) The board of directors may require any  
44 petitioner for exclusion to provide without charge an  
45 easement across the land to be excluded if the easement  
46 is necessary, in the opinion of the board of directors,

1 to continue to effectively and efficiently serve other  
2 property in the authority.

3 Revisor's Note

4 (1) Section 13(a), Chapter 522, Acts of the 71st  
5 Legislature, Regular Session, 1989, refers to the  
6 "initial period provided for the disannexation of  
7 land" under Section 5 of that act. For the reason  
8 stated in the revisor's note to the end of this  
9 chapter, the revised law omits Section 5 of that act as  
10 executed. The omitted law reads:

11 Sec. 13. (a) After the initial  
12 period provided for the disannexation of  
13 land under Section 5 of this Act and . . . .

14 (2) Section 13(a), Chapter 522, Acts of the 71st  
15 Legislature, Regular Session, 1989, refers to  
16 "Sections 58.691 through 58.701, Water Code." The  
17 revised law substitutes for the quoted language a  
18 reference to "Subchapter J, Chapter 49, Water Code,"  
19 because Sections 58.691 through 58.701, Water Code,  
20 have been repealed and superseded by Subchapter J,  
21 Chapter 49, Water Code. Section 47, Chapter 715, Acts  
22 of the 74th Legislature, Regular Session, 1995,  
23 repealed Sections 58.691 through 58.701, Water Code.  
24 Section 2 of that act enacted Subchapter J, Chapter 49,  
25 Water Code, which is applicable to the revised law  
26 through the operation of Section 49.002, Water Code,  
27 and which governs exclusion of land by a district.

28 (3) Section 13(a), Chapter 522, Acts of the 71st  
29 Legislature, Regular Session, 1989, refers to Sections  
30 6(b) and (c) of that act relating to the disannexation  
31 of land under Section 5 of that act. The revised law  
32 omits as executed the reference to the period for  
33 disannexation described by Section 5 of that act. The  
34 revised law includes the substance of Sections 6(b)  
35 and (c) of that act that apply to the revised law.



1 Revised Law

2 Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE. (a) If the  
3 board finds that the failure or refusal of a landowner receiving  
4 water from the authority to make repairs or improvements to any of  
5 the landowner's water lines connected to the authority's water  
6 system adversely affects the system, the board may:

7 (1) discontinue service to the land; or

8 (2) give notice to the landowner that the board will  
9 make necessary repairs or improvements and demand payment from the  
10 landowner for the costs incurred unless the landowner makes the  
11 repairs or improvements not later than the 10th day after the date  
12 the landowner receives the notice.

13 (b) If the board discontinues service to the land, the  
14 authority shall immediately give notice to the landowner.

15 (c) The notice and the 10-day period for the landowner to  
16 make repairs or improvements under Subsection (a)(2) does not apply  
17 if there is an urgent necessity to make the repairs or improvements  
18 immediately to protect and conserve the authority's water supply.

19 (Acts 71st Leg., R.S., Ch. 522, Sec. 14.)

20 Source Law

21 Sec. 14. If a landowner receiving water from the  
22 authority fails or refuses to make repairs or  
23 improvements to any of the landowner's water lines  
24 connected to the authority's water system, and the  
25 failure or refusal in the opinion of the board of  
26 directors adversely affects the authority's water  
27 system, the authority may either discontinue service  
28 to the land or make necessary repairs or improvements  
29 and demand payment for the costs incurred from the  
30 landowner. If service is discontinued, the landowner  
31 shall immediately be given notice. The authority  
32 shall give the landowner 10 days' notice to make the  
33 repairs or improvements before the authority makes any  
34 repairs or improvements unless there is an urgent  
35 necessity to immediately make the repairs or  
36 improvements in order to protect and conserve the  
37 authority's water supply.

38 [Sections 7502.106-7502.150 reserved for expansion]

39 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

40 Revised Law

41 Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS DISTRICT.  
42 The authority may use any bond or bond retirement funds not canceled

1 under Section 3, Chapter 522, Acts of the 71st Legislature, Regular  
2 Session, 1989, for any lawful purpose. (Acts 71st Leg., R.S., Ch.  
3 522, Sec. 3 (part).)

4 Source Law

5 Sec. 3. . . . Any remaining bond or bond  
6 retirement funds may be used for any lawful purpose by  
7 the authority.

8 Revisor's Note

9 Section 3, Chapter 522, Acts of the 71st  
10 Legislature, Regular Session, 1989, provides that  
11 authorized but unissued bonds of the Erath County  
12 Water Control and Improvement District No. 1 are  
13 canceled on the effective date of Chapter 522, Acts of  
14 the 71st Legislature, Regular Session, 1989, which is  
15 the date of the conversion of the Erath County Water  
16 Control and Improvement District No. 1 into the  
17 authority. The revised law omits this provision as  
18 executed. The omitted law reads:

19 Sec. 3. . . . Authorized but  
20 unissued bonds of the district are canceled  
21 on the effective date of this Act. . . .

22 Revised Law

23 Sec. 7502.152. AD VALOREM TAXES PROHIBITED. The authority  
24 may not impose an ad valorem tax. (Acts 71st Leg., R.S., Ch. 522,  
25 Sec. 3 (part).)

26 Source Law

27 Sec. 3. [District funds, property, assets,  
28 contracts, water purchase contracts, and other  
29 obligations and liabilities of any kind or type, and  
30 the right to collect ad valorem taxes levied during or  
31 before 1988, are assumed by and vest in the authority.]  
32 However, additional taxes may not be levied and  
33 collected by the authority. . . .

34 Revisor's Note

35 (1) Section 3, Chapter 522, Acts of the 71st  
36 Legislature, Regular Session, 1989, refers to district  
37 taxes "levied and collected by the authority." The  
38 revised law substitutes "impose" for "levied and  
39 collected" because "impose" is the term generally used

1 in Title 1, Tax Code, and includes the levy,  
2 assessment, and collection of a tax.

3 (2) Section 3, Chapter 522, Acts of the 71st  
4 Legislature, Regular Session, 1989, provides for the  
5 assumption of certain obligations and liabilities by  
6 the authority from the former Erath County Water  
7 Control and Improvement District No. 1. The revised  
8 law omits these provisions as executed. The omitted  
9 law reads:

10 Sec. 3. District funds, property,  
11 assets, contracts, water purchase  
12 contracts, and other obligations and  
13 liabilities of any kind or type, and the  
14 right to collect ad valorem taxes levied  
15 during or before 1988, are assumed by and  
16 vest in the authority. . . .

17 Revised Law

18 Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES. (a)  
19 Before October 1 of each year, or as soon after that date as  
20 practicable, the board shall:

21 (1) estimate the total costs and expenses to be  
22 incurred by the authority during the ensuing fiscal year for the  
23 proper maintenance and operation of the authority's facilities,  
24 including any necessary reserves and replacement funds; and

25 (2) impose assessments to provide money to pay those  
26 costs and expenses.

27 (b) The board, in its discretion, shall determine the costs  
28 and expenses that will be paid by:

29 (1) an assessment on all of the land in the authority  
30 on a per acre basis; and

31 (2) an assessment on a prorated basis on all persons  
32 who use or apply to use the authority's water.

33 (c) The board shall:

34 (1) determine the time at which payment of an  
35 assessment is due;

36 (2) provide a penalty for late payment;

37 (3) provide for collection charges and termination of

1 water service for delinquent accounts;

2 (4) allow an assessment to be paid in periodic  
3 installments;

4 (5) allow a reasonable discount for lump-sum payment  
5 of an assessment; and

6 (6) adopt any other rules regarding assessments and  
7 use of the authority's water the board determines necessary for  
8 proper and efficient operation and maintenance of the authority's  
9 facilities. (Acts 71st Leg., R.S., Ch. 522, Sec. 11.)

10 Source Law

11 Sec. 11. Before October 1 of each year, or as  
12 soon after that date as practicable, the board of  
13 directors of the authority shall make an estimate of  
14 the total costs and expenses to be incurred by the  
15 authority during its ensuing fiscal year for the  
16 proper maintenance and operation of its facilities,  
17 including any necessary reserves and replacement  
18 funds, and levy assessments to provide the funds with  
19 which to pay those costs and expenses. The board of  
20 directors shall, within its sound discretion,  
21 determine the costs and expenses that will be paid by  
22 an assessment based on all of the land in the authority  
23 on a per acre basis and prorate the remainder of those  
24 costs and expenses by an assessment against all  
25 persons who use or make application to use the  
26 authority's water. The board of directors shall  
27 determine the time at which the payment of an  
28 assessment is due, provide for a penalty for late  
29 payment, establish collection charges and termination  
30 of water service for delinquent accounts, permit the  
31 assessment to be paid in periodic installments and  
32 allow a reasonable discount for lump-sum payment, and  
33 adopt any other rules regarding the assessments and  
34 the use of the authority's water as is determined  
35 necessary for the proper and efficient operation and  
36 maintenance of the authority's facilities.

37 Revisor's Note

38 Section 11, Chapter 522, Acts of the 71st  
39 Legislature, Regular Session, 1989, authorizes the  
40 board to "levy" certain assessments. The revised law  
41 substitutes "impose" for "levy" because the two words  
42 are synonymous in this context and "impose" is the term  
43 more commonly used.

44 [Sections 7502.154-7502.200 reserved for expansion]

45 SUBCHAPTER E. BONDS

46 Revised Law

47 Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS. The board

1 may issue revenue bonds of the authority. (Acts 71st Leg., R.S.,  
2 Ch. 522, Sec. 12(a) (part).)

3 Source Law

4 Sec. 12. (a) In addition to the authority in  
5 Chapter 58, Water Code, the board of directors may  
6 issue revenue bonds of the authority. . . .

7 Revisor's Note

8 Section 12(a), Chapter 522, Acts of the 71st  
9 Legislature, Regular Session, 1989, gives the board  
10 authority to issue revenue bonds in addition to the  
11 authority granted to the board to issue bonds under  
12 Chapter 58, Water Code. The revised law omits the  
13 reference to Chapter 58, Water Code, because Chapter  
14 58 applies to the authority as provided by Section 2,  
15 Chapter 522, Acts of the 71st Legislature, Regular  
16 Session, 1989 (revised in this chapter as Section  
17 7502.101).

18 Revised Law

19 Sec. 7502.202. PURPOSE OF BONDS. Bonds sold under this  
20 subchapter must be for the purpose of:

21 (1) constructing improvements, additions, and  
22 extensions to the authority's water system and rebuilding,  
23 replacing, or protecting the water system as required to provide  
24 efficient service;

25 (2) acquiring necessary sites and easements; and

26 (3) paying any incidental costs, professional fees,  
27 and costs of issuance of the bonds. (Acts 71st Leg., R.S., Ch. 522,  
28 Sec. 12(a) (part).)

29 Source Law

30 (a) . . . The bonds . . . shall be sold . . .  
31 for the purpose of constructing improvements,  
32 additions, and extensions to the authority's water  
33 system together with any rebuilding, replacing, or  
34 protection of the water system that is required to  
35 render efficient service, and acquiring necessary  
36 sites and easements and paying any incidental costs,  
37 together with all professional fees and costs of  
38 issuance of the bonds. . . .

1 Revisor's Note

2 Section 12(a), Chapter 522, Acts of the 71st  
3 Legislature, Regular Session, 1989, provides that the  
4 authority may issue bonds at the best prices and terms  
5 reasonably possible. The revised law omits this  
6 provision because it duplicates Section  
7 1201.022(a)(3)(B), Government Code. That section  
8 applies to bonds issued under Section 12(a) by  
9 application of Section 1201.002, Government Code. In  
10 addition, Section 1204.006(b), Government Code,  
11 provides that a public agency may sell public  
12 securities at any price. Section 1204.006(b) applies  
13 to bonds issued under Section 12(a) by application of  
14 Sections 1204.001 and 1204.002, Government Code. The  
15 omitted law reads:

16 (a) . . . [The bonds . . . shall be  
17 sold] on the best terms and for the best  
18 price reasonably possible, all within the  
19 discretion of the board of directors,  
20 . . . .

21 Revised Law

22 Sec. 7502.203. SECURITY FOR REVENUE BONDS. (a) The  
23 principal of and interest on revenue bonds issued under this  
24 subchapter and the redemption price of the bonds must be secured by  
25 and payable solely from a pledge of all or any part of designated  
26 revenue resulting from the operations of the authority's water  
27 system.

28 (b) The board additionally may secure revenue bonds issued  
29 under this subchapter by a deed of trust or mortgage lien on all or  
30 part of the physical facilities of the authority as provided by  
31 Section 54.504, Water Code.

32 (c) The holders of revenue bonds issued under this  
33 subchapter may not demand payment from money raised or to be raised  
34 from taxation. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

35 Source Law

36 (a) . . . The principal of and interest on the  
37 revenue bonds and redemption price of the revenue

1 bonds shall be secured by and payable solely from a  
2 pledge of all or any part of the designated revenues  
3 resulting from the operations of the authority's water  
4 system. At the discretion of the board of directors,  
5 the revenue bonds may be additionally secured by a deed  
6 of trust or mortgage lien on all or part of the  
7 physical facilities of the authority as provided by  
8 Section 54.504, Water Code. The holders of the bonds  
9 never have the right to demand payment from funds  
10 raised or to be raised from taxation. . . .

11 Revised Law

12 Sec. 7502.204. MATURITY OF BONDS. Revenue bonds issued  
13 under this subchapter may be issued to mature within 30 years after  
14 the date of issuance. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a)  
15 (part).)

16 Source Law

17 (a) . . . The bonds may be issued to mature  
18 serially or otherwise within 30 years after the date of  
19 issuance, bearing interest at any rate or rates  
20 authorized by the constitution and laws of this state  
21 at the time of their issuance, and . . . .

22 Revisor's Note

23 (1) Section 12(a), Chapter 522, Acts of the 71st  
24 Legislature, Regular Session, 1989, provides that  
25 bonds issued by the authority may mature "serially or  
26 otherwise." The revised law omits the quoted language  
27 because it duplicates Section 1201.022(a)(1),  
28 Government Code, applicable to the revised law by  
29 application of Section 1201.003, Government Code.

30 (2) Section 12(a), Chapter 522, Acts of the 71st  
31 Legislature, Regular Session, 1989, provides that the  
32 authority may issue bonds "bearing interest at any  
33 rate or rates authorized by the constitution and laws  
34 of this state at the time of their issuance." The  
35 revised law omits the quoted language because it  
36 duplicates Section 1204.006, Government Code,  
37 applicable to the revised law. Section 1204.006,  
38 Government Code, permits a public agency to issue  
39 public securities at any net effective interest rate  
40 not to exceed 15 percent. The interest rate cap  
41 provided by Section 1204.006, Government Code,

1 provides the maximum rate at which the authority may  
2 issue a bond.

3 Revised Law

4 Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON BONDS.

5 (a) Capitalized interest on bonds issued under this subchapter may  
6 not exceed two years.

7 (b) A discount on bonds issued under this subchapter may not  
8 exceed five percent of the par value of the bonds. (Acts 71st Leg.,  
9 R.S., Ch. 522, Sec. 12(a) (part).)

10 Source Law

11 (a) . . . Capitalized interest may not exceed  
12 two years and a discount may not exceed five percent of  
13 the par value of the bonds. . . .

14 Revised Law

15 Sec. 7502.206. VALIDATION OF BONDS. The board may file suit  
16 to validate bonds in the manner provided by Section 58.453, Water  
17 Code. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

18 Source Law

19 (a) . . . The board of directors may file suit  
20 to validate the bonds as provided by Section 58.453,  
21 Water Code.

22 Revisor's Note  
23 (End of Subchapter)

24 (1) Section 12(a), Chapter 522, Acts of the 71st  
25 Legislature, Regular Session, 1989, requires the  
26 authority to submit authority bonds to the attorney  
27 general for approval and registration. The revised  
28 law omits this portion of Section 12(a) because it  
29 duplicates Section 1202.003, Government Code, and  
30 because registration is performed by the comptroller  
31 (see Section 1202.005, Government Code). Section  
32 1202.003 provides that an issuer of bonds shall submit  
33 the bonds to the attorney general for approval before  
34 their issuance. Chapter 1202, Government Code,  
35 applies to bonds issued under this chapter by  
36 application of Section 1202.001, Government Code. The  
37 omitted law reads:



1 (a) . . . The bonds shall be  
2 submitted for the approval and registration  
3 of the attorney general, and . . . .

4 (2) Section 12(a), Chapter 522, Acts of the 71st  
5 Legislature, Regular Session, 1989, provides that  
6 after approval authority bonds shall be registered  
7 with the comptroller. The revised law omits this  
8 provision because it duplicates Section 1202.005,  
9 Government Code. That section applies to bonds issued  
10 under this chapter by application of Section 1202.001,  
11 Government Code. The omitted law reads:

12 (a) . . . after approval is rendered,  
13 the bonds shall be registered by the  
14 comptroller of public accounts. . . .

15 (3) Section 12(a), Chapter 522, Acts of the 71st  
16 Legislature, Regular Session, 1989, provides that  
17 authority bonds are incontestable after approval and  
18 registration. The revised law omits the portion of  
19 Section 12(a) dealing with the incontestability of  
20 bonds because it duplicates a provision of Section  
21 1202.006, Government Code. Section 1202.006,  
22 Government Code, applicable to bonds issued under this  
23 chapter by application of Section 1202.001, Government  
24 Code, states that bonds are incontestable after  
25 approval and registration. The omitted law reads:

26 (a) . . . After approval and  
27 registration, the bonds are incontestable  
28 in any court or other forum for any reason  
29 and are valid and binding obligations of the  
30 authority in accordance with the terms and  
31 conditions of the bonds. . . .

32 (4) Section 12(b), Chapter 522, Acts of the 71st  
33 Legislature, Regular Session, 1989, authorizes the  
34 authority to issue refunding bonds for bonds issued  
35 under this chapter. The revised law omits this  
36 provision because it duplicates Chapter 1207,  
37 Government Code, which provides general authority for  
38 an issuer, including the authority, to issue refunding  
39 securities. The omitted law reads:

1 (b) The board of directors may issue  
2 refunding bonds to refund all or any part of  
3 the authority's outstanding bonds by any  
4 means and procedures authorized by the  
5 general law applicable to municipal utility  
6 districts.

7 (5) Section 12(c), Chapter 522, Acts of the 71st  
8 Legislature, Regular Session, 1989, provides that the  
9 bonds issued by the authority are legal and authorized  
10 investments and are eligible and lawful security for  
11 all deposits under Section 54.515, Water Code.  
12 Chapter 1070, Acts of the 75th Legislature, Regular  
13 Session, 1997, repealed Section 54.515, Water Code.  
14 Section 9 of that act enacted a similar provision in  
15 Section 49.186, Water Code. Section 49.186, Water  
16 Code, lists certain entities for which bonds are legal  
17 and authorized investments and also states that bonds  
18 are lawful security for public funds of the state and  
19 of political subdivisions of the state. Accordingly,  
20 the revised law omits Section 12(c). The omitted law  
21 reads:

22 (c) All bonds of the authority are  
23 legal and authorized investments and are  
24 eligible and lawful security for all  
25 deposits of public funds as provided by  
26 Section 54.515, Water Code.

27 Revisor's Note  
28 (End of Chapter)

29 Sections 5 and 6(a), Chapter 522, Acts of the 71st  
30 Legislature, Regular Session, 1989, provide a  
31 procedure through which certain land located within  
32 the boundaries of the authority can be disannexed from  
33 the authority and certain easements on disannexed land  
34 continue in full force. The procedure was required to  
35 be initiated not later than the 90th day after the  
36 effective date of Chapter 522, which was November 30,  
37 1989. The revised law omits the procedure for  
38 disannexation as executed. The omitted law reads:

39 Sec. 5. (a) Any land included within  
40 the boundaries of the authority shall be

1 disannexed from the authority if the  
 2 landowner files a written request for  
 3 disannexation with the authority not later  
 4 than the 90th day after the effective date  
 5 of this Act. The request must include a  
 6 metes and bounds description of the land to  
 7 be disannexed and be executed in the manner  
 8 provided by law for the conveyance of real  
 9 property. The board of directors shall  
 10 issue an order disannexing the land from the  
 11 authority and file a copy of the order in  
 12 the deed records of the county in which the  
 13 land is located.

14 (b) Any easements of the authority  
 15 existing on the disannexed land on the date  
 16 of disannexation continue in full force and  
 17 effect, and the landowner shall grant an  
 18 easement to the authority if the easement is  
 19 necessary for the authority to continue to  
 20 serve any land remaining within the  
 21 authority's boundaries.

22 Sec. 6. (a) A written request for  
 23 disannexation made under Section 5(a) of  
 24 this Act shall be made by registered or  
 25 certified mail and shall be directed to the  
 26 offices of the authority, as shown by the  
 27 records of the Texas Water Commission.

28 CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

29 SUBCHAPTER A. GENERAL PROVISIONS

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42 [Sections 8104.009-8104.050 reserved for expansion]

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28 CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Revised Law

31 Sec. 8104.001. DEFINITIONS. In this chapter:

32 (1) "Authority" means the Baytown Area Water

33 Authority.

34 (2) "Board" means the authority's board of directors.

1 (Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part); New.)

2 Source Law

3 Sec. 1. . . . to be known as "Baytown Area Water  
4 Authority" (hereinafter called the "authority")  
5 . . . .

6 Revisor's Note

7 The definition of "board" has been added to the  
8 revised law for drafting convenience and to eliminate  
9 frequent, unnecessary repetition of the substance of  
10 the definition.

11 Revised Law

12 Sec. 8104.002. NATURE OF AUTHORITY. The Baytown Area Water  
13 Authority is a conservation and reclamation district in Harris  
14 County created under Section 59, Article XVI, Texas Constitution.  
15 (Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part).)

16 Source Law

17 Sec. 1. Under and pursuant to the provisions of  
18 Article XVI, Section 59, Constitution of Texas, a  
19 conservation and reclamation district is hereby  
20 created and established in Harris County, Texas, . . .  
21 which shall be a governmental agency and a body politic  
22 and corporate. . . .

23 Revisor's Note

24 Section 1, Chapter 600, Acts of the 63rd  
25 Legislature, Regular Session, 1973, provides that the  
26 authority is "a governmental agency and a body politic  
27 and corporate." The revised law omits the references  
28 to "governmental agency" and "body politic and  
29 corporate" because they duplicate a portion of Section  
30 59(b), Article XVI, Texas Constitution, which provides  
31 that a conservation and reclamation district is a  
32 governmental agency and a body politic and corporate.

33 Revised Law

34 Sec. 8104.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a)  
35 The authority is created to serve a public use and benefit.

36 (b) All land and other property included in the authority  
37 and land and property that feasibly may be served by the authority  
38 will benefit from the works and projects to be accomplished by the

1 authority under powers conferred by Section 59, Article XVI, Texas  
2 Constitution.

3 (c) The creation of the authority is essential to accomplish  
4 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
5 63rd Leg., R.S., Ch. 600, Secs. 1 (part), 3.)

6 Source Law

7 Sec. 1. . . . The creation and establishment of  
8 the authority is hereby declared to be essential to the  
9 accomplishment of the purposes of Article XVI, Section  
10 59, Constitution of Texas.

11 Sec. 3. It is determined and found that all of  
12 the land and other property included within the area  
13 and boundaries of the authority and lands and  
14 properties which may feasibly be served by the  
15 authority will be benefited by the works and project  
16 which are to be accomplished by the authority pursuant  
17 to the powers conferred by the provisions of Article  
18 XVI, Section 59, Constitution of Texas, and that said  
19 authority was and is created to serve a public use and  
20 benefit.

21 Revised Law

22 Sec. 8104.004. STATE POLICY REGARDING WASTE DISPOSAL. The  
23 powers and functions conferred on the authority are subject to the  
24 state policy of encouraging the development and use of integrated  
25 area-wide waste collection, treatment, and disposal systems to  
26 serve the waste disposal needs of the state's residents, if  
27 integrated systems can reasonably be provided for an area, so as to  
28 avoid the economic burden on residents and the effect on state water  
29 quality caused by the construction and operation of numerous small  
30 waste collection, treatment, and disposal facilities. (Acts 63rd  
31 Leg., R.S., Ch. 600, Sec. 5, Subsec. A (part).)

32 Source Law

33 A. . . . The powers and functions conferred on  
34 the authority are granted subject to the policy of the  
35 state to encourage the development and use of  
36 integrated area-wide waste collection, treatment and  
37 disposal systems to serve the waste disposal needs of  
38 the citizens of the state, it being an objective of the  
39 policy to avoid the economic burden to the people and  
40 the impact on the quality of the waters in the state  
41 which result from the construction and operation of  
42 numerous small waste collection, treatment and  
43 disposal facilities to serve an area when an  
44 integrated area-wide waste collection, treatment and  
45 disposal system for the area can reasonably be  
46 provided.

1 Revisor's Note

2 Subsection A, Section 5, Chapter 600, Acts of the  
3 63rd Legislature, Regular Session, 1973, refers to  
4 "citizens" of the state. The revised law substitutes  
5 "residents" for "citizens" because, in the context of  
6 this section, "citizens" and "residents" are  
7 synonymous and "residents" is more commonly used.

8 Revised Law

9 Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT WITH  
10 AUTHORITY. To encourage the policy provided by Section 8104.004  
11 and to prevent wasteful duplication, each conservation and  
12 reclamation district that is created in the authority after June  
13 15, 1973, shall contract with the authority to provide facilities  
14 and services that the authority is authorized to provide under this  
15 chapter if the authority:

16 (1) has those facilities and services; or

17 (2) determines it can provide those facilities and  
18 services. (Acts 63rd Leg., R.S., Ch. 600, Sec. 9, Subsec. B  
19 (part).)

20 Source Law

21 B. . . . To encourage the state policy referred  
22 to in Section 5(A) hereof and to prevent wasteful  
23 duplication, all conservation and reclamation  
24 districts created in the future within the boundaries  
25 of the authority shall, however, contract with the  
26 authority for the provision of facilities and services  
27 that the authority is empowered to provide under this  
28 Act whenever the authority has or in its determination  
29 can provide such facilities and services.

30 Revisor's Note

31 Subsection B, Section 9, Chapter 600, Acts of the  
32 63rd Legislature, Regular Session, 1973, refers to all  
33 conservation and reclamation districts "created in the  
34 future" within the boundaries of the authority. A  
35 conservation and reclamation district created "in the  
36 future" means a district created after the effective  
37 date of Chapter 600. Chapter 600 took effect on June  
38 15, 1973, and the revised law is drafted accordingly.



1 Revised Law

2 Sec. 8104.006. RELATIONSHIP TO GULF COAST WASTE DISPOSAL  
3 AUTHORITY. The rights, powers, privileges, and functions granted  
4 to the authority under this chapter are subject to the powers  
5 granted to the Gulf Coast Waste Disposal Authority in Chapter 409,  
6 Acts of the 61st Legislature, Regular Session, 1969 (Article  
7 7621d-2, Vernon's Texas Civil Statutes), to provide disposal  
8 systems. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. E (part).)

9 Source Law

10 E. The rights, powers, privileges, and  
11 functions herein granted to the authority are subject  
12 to the powers granted to the Gulf Coast Waste Disposal  
13 Authority in Article 7621d-2, Vernon's Texas Civil  
14 Statutes, as amended, to provide disposal systems, and  
15 . . . .

16 Revisor's Note

17 Subsection E, Section 5, Chapter 600, Acts of the  
18 63rd Legislature, Regular Session, 1973, refers to  
19 "the powers granted to the Gulf Coast Waste Disposal  
20 Authority in Article 7621d-2, Vernon's Texas Civil  
21 Statutes, as amended." The revised law substitutes a  
22 reference to "Chapter 409, Acts of the 61st  
23 Legislature, Regular Session, 1969 (Article 7621d-2,  
24 Vernon's Texas Civil Statutes)," for the quoted  
25 language because that chapter enacted the provisions  
26 relating to the Gulf Coast Waste Disposal Authority.  
27 The citation to the original enactment includes any  
28 subsequent revision of the cited statutes and  
29 clarifies in which articles those statutes are listed  
30 in Vernon's Texas Civil Statutes. Also, the revised  
31 law omits the reference to "as amended" throughout  
32 this chapter because, under Section 311.027,  
33 Government Code (Code Construction Act), applicable to  
34 the revised law, a reference to a statute applies to  
35 all reenactments, revisions, or amendments of the  
36 statute unless expressly provided otherwise.

1 Revised Law

2 Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS. This  
3 chapter does not prevent the organization of or a change in the  
4 boundaries of a conservation and reclamation district in the  
5 authority as authorized by Section 52, Article III, or Section 59,  
6 Article XVI, Texas Constitution. (Acts 63rd Leg., R.S., Ch. 600,  
7 Sec. 9, Subsec. B (part).)

8 Source Law

9 B. The enactment of this law shall not have the  
10 effect of preventing the organization of conservation  
11 and reclamation districts or of preventing boundary  
12 changes of such districts within the boundaries of the  
13 authority as authorized in Article XVI, Section 59 and  
14 Article III, Section 52 of the Constitution of  
15 Texas. . . .

16 Revised Law

17 Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS OF  
18 MUNICIPAL UTILITY DISTRICTS. The authority has all of the rights,  
19 powers, privileges, and functions provided by the general laws of  
20 this state applicable to municipal utility districts, including  
21 Chapter 54, Water Code. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5,  
22 Subsec. A (part).)

23 Source Law

24 Sec. 5. A. The authority is hereby vested with,  
25 and shall have and exercise, all of the rights, powers,  
26 privileges, authorities and functions conferred by the  
27 general laws of this state applicable to municipal  
28 utility districts, including without limitation those  
29 conferred by Chapter 54, Title 4, Water Code, with all  
30 amendments and additions thereto, . . . .

31 Revisor's Note

32 (1) Subsection A, Section 5, Chapter 600, Acts  
33 of the 63rd Legislature, Regular Session, 1973, refers  
34 to the "rights, powers, privileges, [and] authorities"  
35 of the authority. Other provisions revised in this  
36 chapter refer to "rights, powers, and authority" or  
37 "powers" and "authority." Throughout this chapter,  
38 the revised law omits references to "authorities" or  
39 "authority" because, in context, either term is  
40 included in the meaning of "powers."

1           (2) Subsection A, Section 5, Chapter 600, Acts  
2 of the 63rd Legislature, Regular Session, 1973, grants  
3 the authority certain powers, "including without  
4 limitation" those conferred by Chapter 54, Water Code.  
5 Other provisions revised in this chapter refer to  
6 certain powers "to include, but not by way of  
7 limitation." Throughout this chapter, the revised law  
8 omits the references to limitation because Section  
9 311.005(13), Government Code (Code Construction Act),  
10 provides that "includes" and "including" are terms of  
11 enlargement and not of limitation and do not create a  
12 presumption that components not expressed are  
13 excluded.

14           (3) Subsection A, Section 5, Chapter 600, Acts  
15 of the 63rd Legislature, Regular Session, 1973, refers  
16 to Chapter 54, Water Code, "with all amendments and  
17 additions thereto." The revised law omits the quoted  
18 language because Section 311.027, Government Code  
19 (Code Construction Act), applicable to the revised  
20 law, provides that a reference to a statute includes  
21 reenactments, revisions, or amendments of that  
22 statute.

23           (4) Subsection A, Section 5, Chapter 600, Acts  
24 of the 63rd Legislature, Regular Session, 1973,  
25 provides that the act prevails over general law in case  
26 of a conflict or other inconsistency and that all  
27 general laws applicable to municipal utility districts  
28 not in conflict or inconsistent with the provisions of  
29 the act are adopted and incorporated by reference. The  
30 revised law omits the portion of the provision  
31 relating to the act prevailing over general law  
32 because it duplicates Section 311.026, Government Code  
33 (Code Construction Act), applicable to the revised  
34 law. The revised law omits the portion of the

1 provision relating to adoption and incorporation of  
2 general laws because this chapter provides that those  
3 laws apply to this chapter and it is not necessary to  
4 repeat that authority here by "adopting and  
5 incorporating by reference." The omitted law reads:

6 A. . . . but if any provision of such  
7 general laws shall be in conflict or  
8 inconsistent with the provisions of this  
9 Act, the provisions of this Act shall  
10 prevail. All such general laws applicable  
11 to municipal utility districts not in  
12 conflict or inconsistent with the  
13 provisions of this Act are hereby adopted  
14 and incorporated by reference with the same  
15 effect as if incorporated in full by this  
16 Act. . . .

17 Revisor's Note  
18 (End of Subchapter)

19 Section 6, Chapter 600, Acts of the 63rd  
20 Legislature, Regular Session, 1973, provides that an  
21 election for the confirmation of the authority is not  
22 necessary. The revised law omits the provision as  
23 executed. The omitted law reads:

24 Sec. 6. It shall not be necessary for  
25 the board of directors to call or hold an  
26 election for the confirmation of the  
27 authority.

28 [Sections 8104.009-8104.050 reserved for expansion]

29 SUBCHAPTER B. DISTRICT TERRITORY

30 Revised Law

31 Sec. 8104.051. DISTRICT TERRITORY. (a) The authority is  
32 composed of the territory described by Section 4, Chapter 600, Acts  
33 of the 63rd Legislature, Regular Session, 1973, as that territory  
34 may have been modified under:

35 (1) Section 8104.052 or 8104.053 or their predecessor  
36 statutes, former Sections 7 and 8, Chapter 600, Acts of the 63rd  
37 Legislature, Regular Session, 1973;

38 (2) Subchapter H, Chapter 54, Water Code;

39 (3) Subchapter J, Chapter 49, Water Code; or

40 (4) other law.

41 (b) The boundaries and field notes of the authority

1 contained in Section 4, Chapter 600, Acts of the 63rd Legislature,  
2 Regular Session, 1973, form a closure. A mistake made in the field  
3 notes or in copying the field notes in the legislative process does  
4 not affect:

5 (1) the authority's organization, existence, or  
6 validity;

7 (2) the authority's right to issue revenue bonds or  
8 revenue refunding bonds for a purpose for which the authority is  
9 created or to pay the principal of and interest on the bonds; or

10 (3) the legality or operation of the authority or the  
11 board. (Acts 63rd Leg., R.S., Ch. 600, Sec. 2; New.)

12 Source Law

13 Sec. 2. It is determined and found that the  
14 boundaries and field notes of the authority form a  
15 closure; and if any mistake is made in copying the  
16 field notes in the legislative process, or otherwise a  
17 mistake is made in the field notes, it shall in no way  
18 affect the organization, existence and validity of the  
19 authority, or the right of the authority to issue  
20 revenue bonds or revenue refunding bonds for the  
21 purposes for which the authority is created, or to pay  
22 the principal and interest thereon, or in any other  
23 manner affect the legality or operation of the  
24 authority or its governing body.

25 Revisor's Note

26 The revision of the law governing the authority  
27 does not revise the statutory language describing the  
28 territory of the authority to avoid the lengthy  
29 recitation of the description and because that  
30 description may not be accurate on the effective date  
31 of the revision or at the time of a later reading. For  
32 the reader's convenience, the revised law adds  
33 references to the statutory description of the  
34 authority's territory and to statutory authority to  
35 change the authority's territory under Subchapter H,  
36 Chapter 54, Water Code, and Subchapter J, Chapter 49,  
37 Water Code, applicable to the authority under Sections  
38 49.001 and 49.002 of that chapter. The revised law  
39 also includes a reference to the authority under this  
40 subchapter to add or exclude land and the general

1 authority to enact "other law" to change the  
2 authority's territory.

3 Revised Law

4 Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS. (a) Land  
5 may be added or annexed to the authority under Subchapter J, Chapter  
6 49, and Subchapter H, Chapter 54, Water Code:

7 (1) without the consent of any municipality under  
8 Section 42.042, Local Government Code; and

9 (2) regardless of whether the authority has issued  
10 revenue bonds.

11 (b) A change in the authority's boundaries under this  
12 section does not affect the validity of the authority's bonds.

13 (Acts 63rd Leg., R.S., Ch. 600, Sec. 8.)

14 Source Law

15 Sec. 8. Land may be added or annexed to the  
16 authority in the manner now provided by Chapter 54,  
17 Title 4, Water Code, and without the consent of any  
18 city as provided in Article 970a, Vernon's Texas Civil  
19 Statutes, as amended, either before or after revenue  
20 bonds of the authority have been issued, and no such  
21 boundary change shall have any effect upon the  
22 validity of any bonds of the authority.

23 Revisor's Note

24 (1) Section 8, Chapter 600, Acts of the 63rd  
25 Legislature, Regular Session, 1973, provides that land  
26 may be added or annexed to the authority in the manner  
27 provided by Chapter 54, Title 4, Water Code. Sections  
28 54.701-54.727, Water Code, which provided for the  
29 annexation or exclusion of territory by a municipal  
30 utility district, were repealed by Section 43, Chapter  
31 715, Acts of the 74th Legislature, Regular Session,  
32 1995. Section 2 of that act added Chapter 49, Water  
33 Code, including Subchapter J of that chapter, which  
34 now provides for the annexation or exclusion of  
35 territory by certain districts, including a municipal  
36 utility district. The reference to the repealed  
37 annexation provisions in Chapter 54 may be considered  
38 to be a reference to the similar provisions in Chapter

1 49, and the revised law reflects this change. The  
2 revised law also adds a reference to Subchapter H,  
3 Chapter 54, Water Code, to reflect the authority under  
4 that subchapter.

5 (2) Section 8, Chapter 600, Acts of the 63rd  
6 Legislature, Regular Session, 1973, refers to "any  
7 city." The revised law substitutes the term  
8 "municipality" for "city" because that is the term  
9 used in the Local Government Code.

10 (3) Section 8, Chapter 600, Acts of the 63rd  
11 Legislature, Regular Session, 1973, refers to the  
12 addition or annexation of land "without the consent of  
13 any city as provided in Article 970a, Vernon's Texas  
14 Civil Statutes, as amended." The pertinent part of  
15 that statute was codified in 1987 as Section 42.042,  
16 Local Government Code. The revised law is drafted  
17 accordingly.

#### 18 Revised Law

19 Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING. (a) The  
20 board is not required to call or hold a hearing on the exclusion of  
21 land or other property from the authority.

22 (b) The board on its own motion may call and hold one or more  
23 hearings on the exclusion of land or other property from the  
24 authority in the manner provided by general law. (Acts 63rd Leg.,  
25 R.S., Ch. 600, Sec. 7 (part).)

#### 26 Source Law

27 Sec. 7. It shall not be necessary for the board  
28 of directors to call or hold a hearing on the  
29 exclusions of land or other property from the  
30 authority; . . . . The board on its own motion may call  
31 and hold an exclusions hearing or hearings in the  
32 manner provided by the general law.

#### 33 Revisor's Note

34 Section 7, Chapter 600, Acts of the 63rd  
35 Legislature, Regular Session, 1973, provides that the  
36 board shall hold a hearing on a petition for the  
37 exclusion of land filed before the passage of the first

1 order or resolution authorizing bonds to be issued by  
2 the authority and provides administrative procedures  
3 for the hearing. The revised law omits that provision  
4 as executed. The omitted law reads:

5           Sec. 7. . . . provided, however,  
6           that the board shall hold such hearing upon  
7           the written petition of any landowner or  
8           other property owner within the authority  
9           filed with the secretary of the board prior  
10          to the passage of the first order or  
11          resolution authorizing bonds to be issued  
12          by the authority. The board may act on said  
13          petition in the same manner that it may act  
14          on a petition for the addition of land under  
15          Sections 54.711-.715, Title 4, Water Code,  
16          and no notice of hearing shall be required  
17          other than notice of the meeting whereat  
18          such action is taken pursuant to Section  
19          54.109, Title 4, Water Code. . . .

20 [Sections 8104.054-8104.100 reserved for expansion]

21                           SUBCHAPTER C. BOARD OF DIRECTORS

22   Revised Law

23           Sec. 8104.101. COMPOSITION. The authority is governed by a  
24 board of five directors appointed by the Baytown City Council.  
25 (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

26   Source Law

27           Sec. 10. A. All powers of the authority shall be  
28 exercised by a board of five directors, . . . . Upon  
29 the expiration of such terms the city council of the  
30 City of Baytown shall fill such positions by  
31 appointment of a director to each position . . . .

32   Revisor's Note

33           (1) Subsection A, Section 10, Chapter 600, Acts  
34 of the 63rd Legislature, Regular Session, 1973,  
35 provides that "[a]ll powers of the authority shall be  
36 exercised by" the board. The revised law omits the  
37 quoted language because it duplicates, in substance,  
38 provisions of Sections 49.051 and 49.057, Water Code.  
39 Throughout this chapter, the revised law omits law  
40 that is superseded by Chapter 49, Water Code, or that  
41 duplicates law contained in that chapter. Chapter 49,  
42 Water Code, applies to this chapter under Sections  
43 49.001 and 49.002, Water Code.



1           (2) Subsection A, Section 10, Chapter 600, Acts  
2 of the 63rd Legislature, Regular Session, 1973, states  
3 that the Baytown City Council shall appoint the  
4 authority's board of directors "[u]pon the expiration  
5 of such terms." The revised law omits the quoted  
6 language as executed because it applied only to the  
7 expiration of the terms of the initial directors.

8                                   Revised Law

9           Sec. 8104.102. ELIGIBILITY TO SERVE. (a) One director must  
10 reside outside the city limits of the city of Baytown but in the  
11 authority's boundaries.

12           (b) A person serving as a director may not serve during the  
13 person's term as a member of the Baytown City Council. (Acts 63rd  
14 Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

15                                   Source Law

16           A. . . . none of whom shall be a member of the  
17 city council of the City of Baytown during his term as  
18 director. One director must reside without the city  
19 limits of Baytown but within the boundaries of the  
20 authority. . . .

21                                   Revised Law

22           Sec. 8104.103. TERMS. Directors serve staggered terms of  
23 two years with the terms of the directors serving Positions 1 and 2  
24 expiring September 1 of each even-numbered year and the terms of the  
25 directors serving Positions 3, 4, and 5 expiring September 1 of each  
26 odd-numbered year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec.  
27 A (part).)

28                                   Source Law

29           A. . . . By September 1, 1973, the city council  
30 of the City of Baytown shall assign position numbers to  
31 each director's office and shall appoint directors to  
32 such positions for two-year terms as follows: those  
33 directors occupying Positions Number 1 and Number 2  
34 shall serve until September 1, 1974, and thereafter  
35 until a successor has been appointed and qualified;  
36 those directors occupying Positions Number 3, Number 4  
37 and Number 5 shall serve until September 1, 1975, and  
38 thereafter until a successor has been appointed and  
39 qualified. [Upon the expiration of such terms the city  
40 council of the City of Baytown shall fill such  
41 positions by appointment of a director to each  
42 position] for a term of two years, so that two  
43 directors shall be so appointed in one year and three  
44 directors in the next year in continuing sequence.

1 . . .

2 Revisor's Note

3 Subsection A, Section 10, Chapter 600, Acts of  
4 the 63rd Legislature, Regular Session, 1973, provides  
5 for the staggering of directors' terms by assigning a  
6 position number to each director's office and an  
7 initial term ending in an odd or even year for each  
8 position. The revised law omits the portions of that  
9 provision related to the initial terms as executed but  
10 revises the establishment of staggered two-year terms  
11 with the terms of certain positions ending in odd or  
12 even years. The revised law also omits the reference  
13 to a director serving until a successor is appointed  
14 and qualified because it duplicates Section 17,  
15 Article XVI, Texas Constitution, which provides that  
16 an officer in this state is to continue to perform the  
17 officer's official duties until a successor has  
18 qualified.

19 Revised Law

20 Sec. 8104.104. VACANCIES. The Baytown City Council shall  
21 fill any vacancy occurring on the board by appointing a director for  
22 the unexpired term. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10,  
23 Subsec. A (part).)

24 Source Law

25 A. . . . Vacancies in the office of director,  
26 because of the failure or refusal of one or more  
27 directors to qualify or serve, because of death or  
28 incapacitation, or for any other reason, shall be  
29 filled by appointment of the city council of the City  
30 of Baytown for the unexpired term. . . .

31 Revisor's Note

32 Subsection A, Section 10, Chapter 600, Acts of  
33 the 63rd Legislature, Regular Session, 1973, refers to  
34 a vacancy in the office of director "because of the  
35 failure or refusal of one or more directors to qualify  
36 or serve, because of death or incapacitation, or for  
37 any other reason." The revised law omits the quoted

1 language because it merely describes the manner in  
2 which a vacancy may occur and is not a limitation on  
3 the Baytown City Council's duty to fill a vacancy.

4 Revised Law

5 Sec. 8104.105. OFFICERS. (a) The board shall elect a  
6 president, vice president, secretary, and any other officers the  
7 board considers necessary at the board's first meeting:

8 (1) in September of each year; or

9 (2) after the annual vacancies are filled as provided  
10 by this subchapter and the newly appointed directors are qualified.

11 (b) When the president is absent or fails or declines to  
12 act, the vice president shall perform all duties and exercise all  
13 power this chapter or general law gives the president. (Acts 63rd  
14 Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

15 Source Law

16 C. At the first meeting in September of each  
17 year, or after the annual vacancies in the board of  
18 directors are filled as provided herein and such  
19 directors are qualified, the board shall elect a  
20 president, a vice president, a secretary and any other  
21 officers as in the judgment of the board are considered  
22 necessary. The vice president shall perform all  
23 duties and exercise all power conferred by this Act or  
24 the provisions of the general law upon the president  
25 when the president is absent or fails or declines to  
26 act. . . .

27 Revised Law

28 Sec. 8104.106. DIRECTOR'S BOND. (a) A director shall  
29 execute a bond for \$5,000 conditioned on the faithful performance  
30 of the director's duties.

31 (b) The bond must be recorded in a record kept for that  
32 purpose in the authority's office. (Acts 63rd Leg., R.S., Ch. 600,  
33 Sec. 10, Subsec. B (part).)

34 Source Law

35 B. Each director shall qualify by subscribing to  
36 the constitutional oath of office and giving bond in  
37 the amount of \$5,000 for the faithful performance of  
38 his duties. . . . The bonds of directors . . . shall  
39 be recorded in a record kept for that purpose in the  
40 office of the authority.

41 Revisor's Note

42 (1) Subsection B, Section 10, Chapter 600, Acts

1 of the 63rd Legislature, Regular Session, 1973,  
2 requires each director to qualify by "subscribing to  
3 the constitutional oath of office." The revised law  
4 omits this provision because Section 1, Article XVI,  
5 Texas Constitution, requires all officers to take the  
6 oath before assuming office.

7 (2) Subsection B, Section 10, Chapter 600, Acts  
8 of the 63rd Legislature, Regular Session, 1973,  
9 provides that the board must approve a director's bond  
10 and that the authority shall pay the cost of a bond.  
11 The revised law omits those provisions because they  
12 duplicate Section 49.055(c), Water Code. The omitted  
13 law reads:

14 B. . . . The cost of such bond shall  
15 be paid by the authority. . . . [The bonds  
16 of directors] appointed after the first  
17 directors shall be approved by the  
18 authority's board of directors and . . . .

19 (3) Subsection B, Section 10, Chapter 600, Acts  
20 of the 63rd Legislature, Regular Session, 1973,  
21 requires that the authority's initial directors' bonds  
22 be approved and recorded. The revised law omits this  
23 provision as executed. The omitted law reads:

24 B. . . . Such bond of the first  
25 directors shall be approved by the Mayor of  
26 the City of Baytown and filed in the office  
27 of the City Manager of the City of Baytown,  
28 Texas. . . .

29 Revised Law

30 Sec. 8104.107. VOTING REQUIREMENT. The concurrence of a  
31 majority of the directors who are present and voting at a board  
32 meeting is sufficient for matters relating to the authority's  
33 business, including:

- 34 (1) letting construction work and related matters; and  
35 (2) purchasing existing facilities. (Acts 63rd Leg.,  
36 R.S., Ch. 600, Sec. 10, Subsec. E.)

37 Source Law

38 E. A majority of the duly qualified directors  
39 shall constitute a quorum of any meeting of the board

1 of directors, and a concurrence of a majority of those  
2 directors present and voting shall be sufficient in  
3 all matters pertaining to the business of the  
4 authority, including the letting of construction work,  
5 purchase of existing facilities, and matters relating  
6 to the construction work.

7 Revisor's Note

8 Subsection E, Section 10, Chapter 600, Acts of  
9 the 63rd Legislature, Regular Session, 1973, states  
10 that "[a] majority of the duly qualified directors  
11 shall constitute a quorum" at a board meeting. The  
12 revised law omits this provision because it duplicates  
13 general law. Section 311.013, Government Code (Code  
14 Construction Act), applicable to the revised law,  
15 provides that a majority of a board or commission  
16 constitutes a quorum. Also, Section 49.053, Water  
17 Code, provides that a majority of a board constitutes a  
18 quorum. In addition, the revised law omits "duly  
19 qualified" because the phrase does not add to the clear  
20 meaning of the law. A director who does not qualify to  
21 be a director, "duly" or "unduly," is not a director  
22 and may not vote at a board meeting. A person is not a  
23 director until the person meets the requirements to be  
24 a director, including qualification.

25 Revised Law

26 Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS. An order  
27 adopted or other action taken at a board meeting at which the  
28 president is absent may be signed by:

29 (1) the vice president; or

30 (2) the president with board authorization. (Acts  
31 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

32 Source Law

33 C. . . . Any order adopted or other action taken  
34 at a meeting of the board at which the president is  
35 absent may be signed by the vice president, or the  
36 board may authorize the president to sign such order or  
37 other action.

38 Revisor's Note  
39 (End of Subchapter)

40 Subsection A, Section 10, Chapter 600, Acts of

1 the 63rd Legislature, Regular Session, 1973, provides  
2 that a director serves without compensation. The  
3 revised law omits that provision because Section  
4 49.060, Water Code, supersedes that provision under  
5 the express language of Section 49.060(e). The  
6 omitted law reads:

7 A. . . . Each director shall serve  
8 without emolument or compensation paid by  
9 the authority.

10 [Sections 8104.109-8104.150 reserved for expansion]

11 SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

12 Revised Law

13 Sec. 8104.151. GENERAL MANAGER. (a) The city manager of  
14 the City of Baytown is the authority's general manager.

15 (b) If the position of city manager is abolished, the chief  
16 executive officer of the City of Baytown or the officer's designee  
17 is the authority's general manager.

18 (c) The authority's general manager serves without  
19 compensation paid by the board. (Acts 63rd Leg., R.S., Ch. 600,  
20 Sec. 11, Subsec. A.)

21 Source Law

22 Sec. 11. A. The City Manager of the City of  
23 Baytown shall be the general manager of the authority  
24 for so long as the City of Baytown has such an officer.  
25 If the position of City Manager is ever abolished, the  
26 chief executive officer of the City of Baytown or his  
27 designee shall serve as general manager. The general  
28 manager shall serve without emolument or compensation  
29 paid by the board.

30 Revisor's Note

31 Subsection A, Section 11, Chapter 600, Acts of  
32 the 63rd Legislature, Regular Session, 1973, refers to  
33 the general manager serving "without emolument or  
34 compensation paid by the board." The revised law omits  
35 the reference to "emolument" because "emolument" is  
36 included in the meaning of "compensation."

37 Revised Law

38 Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER. (a)  
39 The general manager is the authority's chief executive officer.

1 (b) The general manager, under policies established by the  
2 board, shall:

- 3 (1) administer the board's directives;
- 4 (2) keep the authority's records, including minutes of  
5 board meetings;
- 6 (3) coordinate with state, federal, and local  
7 agencies;
- 8 (4) develop plans and programs for the board's  
9 approval;
- 10 (5) formulate a budget for the authority's fiscal  
11 year, as provided by this chapter, subject to the approval of the  
12 board and the Baytown City Council;
- 13 (6) hire, supervise, train, and discharge the  
14 authority's employees;
- 15 (7) contract for or retain technical, scientific,  
16 legal, fiscal, and other professional services; and
- 17 (8) perform other duties assigned by the board.

18 (c) At the board's direction, the general manager may  
19 execute a contract, including a construction contract, the board  
20 enters into for the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec.  
21 10, Subsec. D; Sec. 11, Subsec. B.)

22 Source Law

23 [Sec. 10]

24 D. At the direction of the board of directors,  
25 the general manager of the authority, as hereinafter  
26 provided, may execute all contracts, construction or  
27 otherwise, entered into by the board on behalf of the  
28 authority.

29 [Sec. 11]

30 B. The general manager is the chief executive  
31 officer of the authority. Under policies established  
32 by the board, he is responsible to the board of  
33 directors for the following duties:

- 34 (1) administering the directives of the  
35 board;
- 36 (2) keeping the authority's records,  
37 including minutes of the board's meetings;
- 38 (3) coordinating with state, federal and  
39 local agencies;
- 40 (4) developing plans and programs for the  
41 board's approval;
- 42 (5) formulating a budget for the  
43 authority's fiscal year, as hereinafter provided,  
44 subject to the approval of both the board and the city  
45 council of the City of Baytown;

1 (6) hiring, supervising, training and  
2 discharging the authority's employees;  
3 (7) contracting for or retaining  
4 technical, scientific, legal, fiscal and other  
5 professional services; and  
6 (8) performing any other duties assigned  
7 to him by the board.

8 Revised Law

9 Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN  
10 EMPLOYEES. (a) The general manager and each employee of the  
11 authority charged with the collection, custody, or payment of the  
12 authority's money shall execute a fidelity bond.

13 (b) The board must approve the form, amount, and surety of  
14 each bond.

15 (c) The authority shall pay the premium on each bond. (Acts  
16 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. C.)

17 Source Law

18 C. The general manager and each employee of the  
19 authority charged with the collection, custody or  
20 payment of any money of the authority shall execute a  
21 fidelity bond, approved by the board of directors as to  
22 form, amount and surety. The authority shall pay the  
23 premiums on the general manager's and the employees'  
24 bonds under this section.

25 Revised Law

26 Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR  
27 ADMINISTRATIVE FUNCTIONS. (a) In this section, "administrative  
28 functions" has the meaning assigned by Section 791.003, Government  
29 Code.

30 (b) The authority shall offer to enter into an interlocal  
31 contract under Chapter 791, Government Code, with the City of  
32 Baytown for the performance of administrative functions. (Acts  
33 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. D.)

34 Source Law

35 D. Pursuant to the provisions of the Interlocal  
36 Cooperation Act, Article 4413(32c), Vernon's Texas  
37 Civil Statutes, as amended, the authority shall offer  
38 to enter into an interlocal contract or agreement with  
39 the City of Baytown for the performance of  
40 administrative functions, as defined therein.

41 Revisor's Note

42 (1) Subsection D, Section 11, Chapter 600, Acts  
43 of the 63rd Legislature, Regular Session, 1973, refers



1 to "the Interlocal Cooperation Act, Article 4413(32c),  
2 Vernon's Texas Civil Statutes, as amended." That  
3 statute was codified in 1991 as Chapter 791,  
4 Government Code. The revised law is drafted  
5 accordingly.

6 (2) Subsection D, Section 11, Chapter 600, Acts  
7 of the 63rd Legislature, Regular Session, 1973, refers  
8 to an "interlocal contract or agreement." The revised  
9 law omits the reference to "agreement" to conform to  
10 the terminology used in Section 791.003(2), Government  
11 Code, which defines "interlocal contract."

12 [Sections 8104.155-8104.200 reserved for expansion]

13 SUBCHAPTER E. POWERS AND DUTIES

14 Revised Law

15 Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION. The  
16 authority may:

17 (1) acquire surface water or groundwater supplies from  
18 sources in or outside of the authority; and

19 (2) conserve, store, transport, treat, purify,  
20 distribute, sell, and deliver surface water or groundwater to a  
21 public or private corporation, a political subdivision of this  
22 state, or any other person in or outside of the authority. (Acts  
23 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B (part).)

24 Source Law

25 B. Not by way of limitation, the authority shall  
26 have and is hereby expressly granted the following  
27 rights, powers, privileges and functions:

28 (1) The right, power and authority to  
29 acquire surface and/or underground water supplies from  
30 sources both within and without the boundaries of the  
31 authority and to conserve, store, transport, treat,  
32 purify, distribute, sell and deliver water, both  
33 surface and underground, to persons, corporations  
34 (public or private), municipal corporations,  
35 political subdivisions of the State of Texas, and  
36 others, within and without the boundaries of the  
37 authority;  
38 . . .

39 Revisor's Note

40 (1) Subsection B(1), Section 5, Chapter 600,  
41 Acts of the 63rd Legislature, Regular Session, 1973,

1 provides that the authority "shall have and is hereby  
2 expressly granted" certain "rights," "powers,"  
3 "privileges," "authority," and "functions."  
4 Throughout this subchapter, the revised law  
5 substitutes "may" for the quoted language because the  
6 phrases have the same meaning, and "may" is consistent  
7 with modern usage.

8 (2) Subsection B(1), Section 5, Chapter 600,  
9 Acts of the 63rd Legislature, Regular Session, 1973,  
10 refers to "municipal corporations, [and] political  
11 subdivisions of the State of Texas." Throughout this  
12 chapter in similar contexts, the revised law omits the  
13 reference to "municipal corporations" because  
14 municipal corporations (municipalities) are political  
15 subdivisions of the state.

16 Revised Law

17 Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND  
18 DISTRIBUTION. (a) The authority may construct, maintain, and  
19 operate a canal, lateral, ditch, levee, pipeline, or other facility  
20 to transport and distribute water, together with a service road or  
21 other facility incidental to or designed for use in connection with  
22 transportation and distribution of water, under, along, and across  
23 a:

- 24 (1) railroad;  
25 (2) railroad right-of-way;  
26 (3) canal;  
27 (4) stream;  
28 (5) pipeline;  
29 (6) utility line;  
30 (7) street or alley in a municipality, subject to  
31 reasonable regulation by the municipality; or  
32 (8) public road or highway.

33 (b) In crossing a facility described by Subsection (a), the  
34 authority:

1 (1) may not impair the use of the facility; and  
2 (2) shall promptly restore the facility to its former  
3 condition of usefulness. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13,  
4 Subsec. A.)

5 Source Law

6 Sec. 13. A. The authority shall have the right,  
7 power and authority to construct, lay, maintain and  
8 operate canals, laterals, ditches, levees, pipelines  
9 and all other facilities for the transportation and  
10 distribution of water, together with service roads and  
11 all other facilities incidental to and designed for  
12 use in connection with such transportation and  
13 distribution of water, under, along and across any  
14 railroad; railroad right-of-way; canal; stream;  
15 pipeline; utility line; streets or alleys in cities,  
16 towns and villages, subject to reasonable regulation  
17 by such cities, towns and villages; and public roads  
18 and highways, but such crossings shall not impair the  
19 uses of the facilities crossed, and such facilities  
20 shall be promptly restored to their former condition  
21 of usefulness.

22 Revisor's Note

23 (1) Subsection A, Section 13, Chapter 600, Acts  
24 of the 63rd Legislature, Regular Session, 1973,  
25 provides that the authority may "construct" and "lay"  
26 facilities. The revised law omits "lay" as included  
27 within the meaning of "construct."

28 (2) Subsection A, Section 13, Chapter 600, Acts  
29 of the 63rd Legislature, Regular Session, 1973, refers  
30 to "cities, towns and villages." The revised law  
31 substitutes the term "municipality" for "cities, towns  
32 and villages" because that is the term used in the  
33 Local Government Code.

34 Revised Law

35 Sec. 8104.203. WASTE SERVICES. The authority may collect  
36 and transport the domestic, industrial, or communal waste of an  
37 entity described by Section 8104.201(2), for the purposes provided  
38 by Chapter 30, Water Code, or for other purposes. (Acts 63rd Leg.,  
39 R.S., Ch. 600, Sec. 5, Subsec. B (part).)

40 Source Law

41 B. Not by way of limitation, the authority shall  
42 have and is hereby expressly granted the following  
43 rights, powers, privileges and functions:

1 . . .  
2 (2) The right, power and authority to  
3 collect and transport the domestic, industrial or  
4 communal wastes of the entities described in the  
5 preceding subsection, to include, but not by way of  
6 limitation, the purposes of the Regional Waste  
7 Disposal Act (Chapter 25, Title 2, Water Code);  
8 . . .

9 Revisor's Note

10 Subsection B, Section 5, Chapter 600, Acts of the  
11 63rd Legislature, Regular Session, 1973, refers to  
12 Chapter 25, Water Code. That chapter was revised in  
13 1977 as Chapter 30, Water Code. The revised law is  
14 drafted accordingly.

15 Revised Law

16 Sec. 8104.204. CONTRACTS. (a) The authority may:

17 (1) contract with a public or private corporation, a  
18 political subdivision of this state, including the City of Baytown,  
19 or any other person, on terms the board considers desirable, fair,  
20 and advantageous, for the performance of the authority's rights and  
21 powers under this chapter; and

22 (2) contract with another person to transport that  
23 person's water.

24 (b) Before the authority enters into a contract under this  
25 section, other than a contract between the authority and the City of  
26 Baytown, the Baytown City Council must approve the contract.

27 (c) The period of a contract under Subsection (a)(1) may not  
28 exceed 40 years. The contract may provide that it continues in  
29 effect until bonds issued by the authority to finance the cost of  
30 facilities authorized by this chapter and refunding bonds issued in  
31 place of those bonds are paid.

32 (d) Section 402.014, Local Government Code, applies to any  
33 contract between the authority and a municipality, including the  
34 City of Baytown. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B  
35 (part).)

36 Source Law

37 B. Not by way of limitation, the authority shall  
38 have and is hereby expressly granted the following  
39 rights, powers, privileges and functions:  
40 . . .

1 (4) The right, power and authority to enter  
2 into contracts of not exceeding forty (40) years  
3 duration with persons, corporations (public or  
4 private), municipal corporations, including the City  
5 of Baytown, political subdivisions of the State of  
6 Texas, and others, on such terms and conditions as the  
7 board of directors of the authority may deem  
8 desirable, fair and advantageous for the performance  
9 of its rights, powers and authorities under this Act;  
10 provided, that before entering such contracts, except  
11 those between the authority and the City of Baytown,  
12 the board of authority shall secure the approval of the  
13 city council of the City of Baytown; provided, that  
14 such contracts may provide that they shall continue in  
15 effect until bonds issued by the authority to finance  
16 the cost of facilities authorized by this Act, and  
17 refunding bonds issued in lieu thereof, are paid; and  
18 further provided that Article 1109j, Vernon's Texas  
19 Civil Statutes, as amended, shall specifically apply  
20 to any contract between the authority and any city or  
21 town, including without limitation, the City of  
22 Baytown; and

23 (5) The right, power and authority to  
24 enter into contracts with others for transporting  
25 their water and to act jointly with others in the  
26 performance of all functions and purposes of the  
27 authority; provided, that before entering such  
28 contracts, except those between the authority and the  
29 City of Baytown, the board of the authority shall  
30 secure the approval of the city council of the City of  
31 Baytown.

32 Revisor's Note

33 (1) Subsection B(4), Section 5, Chapter 600,  
34 Acts of the 63rd Legislature, Regular Session, 1973,  
35 refers to the "terms and conditions" of a contract.  
36 Throughout this chapter, the revised law omits  
37 references to "conditions" because, in context, the  
38 meaning of that term is included within the meaning of  
39 "terms."

40 (2) Subsection B(4), Section 5, Chapter 600,  
41 Acts of the 63rd Legislature, Regular Session, 1973,  
42 provides that Article 1109j, Vernon's Texas Civil  
43 Statutes, applies to a contract between the authority  
44 and any city or town. That statute was codified in  
45 1987 as Section 402.014, Local Government Code. The  
46 revised law is drafted accordingly.

47 (3) Subsection B(4), Section 5, Chapter 600,  
48 Acts of the 63rd Legislature, Regular Session, 1973,  
49 refers to the "functions and purposes" of the  
50 authority. The revised law omits the reference to

1 "purposes" because, in context, the meaning of that  
2 term is included within the meaning of "functions."

3 (4) Subsection B(5), Section 5, Chapter 600,  
4 Acts of the 63rd Legislature, Regular Session, 1973,  
5 provides that the authority may enter into contracts  
6 "to act jointly with others in the performance of all  
7 functions and purposes of the authority." The revised  
8 law omits the quoted language because it duplicates,  
9 in substance, Sections 49.213 and 49.227, Water Code.

10 Revised Law

11 Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT AND  
12 DISPOSAL FACILITIES. Before acquiring or constructing a waste  
13 treatment or disposal facility, the authority must obtain the  
14 consent of the:

15 (1) Gulf Coast Waste Disposal Authority; or

16 (2) Texas Commission on Environmental Quality, if the  
17 consent of the Gulf Coast Waste Disposal Authority is unreasonably  
18 withheld or delayed. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5,  
19 Subsec. E (part).)

20 Source Law

21 E. . . . prior to acquiring or constructing  
22 waste treatment and disposal facilities, the authority  
23 must acquire the consent of the Gulf Coast Waste  
24 Disposal Authority, or the Texas Water Quality Board  
25 if the consent of the Gulf Coast Waste Disposal  
26 Authority is unreasonably withheld or delayed.

27 Revisor's Note

28 Subsection E, Section 5, Chapter 600, Acts of the  
29 63rd Legislature, Regular Session, 1973, refers to the  
30 "Texas Water Quality Board." Chapter 870, Acts of the  
31 65th Legislature, Regular Session, 1977, abolished the  
32 Texas Water Quality Board and transferred its  
33 authority to the Texas Department of Water Resources.  
34 Chapter 795, Acts of the 69th Legislature, Regular  
35 Session, 1985, transferred the relevant authority  
36 exercised by the Texas Department of Water Resources  
37 to the Texas Water Commission. The name of the Texas

1 Water Commission was changed to the Texas Natural  
2 Resource Conservation Commission by Section 1.085,  
3 Chapter 3, Acts of the 72nd Legislature, 1st Called  
4 Session, 1991. The name of the Texas Natural Resource  
5 Conservation Commission was changed to the Texas  
6 Commission on Environmental Quality by Section 18.01,  
7 Chapter 965, Acts of the 77th Legislature, Regular  
8 Session, 2001. The revised law is drafted  
9 accordingly.

10 Revised Law

11 Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT PREVENTED.  
12 This chapter does not prevent the authority from acquiring water  
13 rights under any law or permit if the acquisition is approved by  
14 order or later permit from the Texas Commission on Environmental  
15 Quality. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. D.)

16 Source Law

17 D. Nothing herein contained shall preclude the  
18 authority from acquiring water rights under any laws  
19 or permits heretofore or hereafter issued, provided  
20 acquisition of the same is approved by order or  
21 subsequent permit from the Texas Water Rights  
22 Commission.

23 Revisor's Note

24 (1) Subsection D, Section 5, Chapter 600, Acts  
25 of the 63rd Legislature, Regular Session, 1973, refers  
26 to a permit issued "heretofore or hereafter." The  
27 revised law omits the quoted language because it is not  
28 a limitation and encompasses any possible period. The  
29 revised law plainly refers to a permit irrespective of  
30 the time it was issued.

31 (2) Subsection D, Section 5, Chapter 600, Acts  
32 of the 63rd Legislature, Regular Session, 1973, refers  
33 to a permit issued by the "Texas Water Rights  
34 Commission." The Texas Water Rights Commission was  
35 abolished and the authority to permit appropriations  
36 of state water was transferred to the Texas Water  
37 Commission under Sections 1, 8, and 9, Chapter 870,

1 Acts of the 65th Legislature, Regular Session, 1977.  
2 The name of the Texas Water Commission was changed to  
3 the Texas Natural Resource Conservation Commission by  
4 Section 1.085, Chapter 3, Acts of the 72nd  
5 Legislature, 1st Called Session, 1991. The name of the  
6 Texas Natural Resource Conservation Commission was  
7 changed to the Texas Commission on Environmental  
8 Quality by Section 18.01, Chapter 965, Acts of the 77th  
9 Legislature, Regular Session, 2001. The revised law  
10 is drafted accordingly.

11 Revised Law

12 Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE CONTRACTS.  
13 The authority is not required to hold an election to approve a  
14 contract with a political subdivision for services described by  
15 this chapter. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. C.)

16 Source Law

17 C. No election shall be required of the  
18 authority for approval of contracts with municipal  
19 corporations or other political subdivisions for  
20 services enumerated in this Act.

21 Revised Law

22 Sec. 8104.208. COST OF RELOCATING PROPERTY. (a) In this  
23 section, "sole expense" means the actual cost of relocating,  
24 raising, lowering, rerouting, changing the grade of, or altering  
25 the construction of a facility described by Subsection (b) in  
26 providing comparable replacement without enhancement of the  
27 facility, after deducting from that cost the net salvage value of  
28 the old facility.

29 (b) If the authority, in the exercise of the power of  
30 eminent domain, the power of relocation, or any other power granted  
31 under this chapter, makes necessary the relocating, raising,  
32 rerouting, changing the grade of, or altering the construction of a  
33 highway, a railroad, an electric transmission line, a pipeline, or  
34 a telephone or telegraph property or facility, the necessary  
35 relocation, raising, rerouting, changing the grade of, or  
36 alteration of construction shall be accomplished at the sole



1 expense of the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13,  
2 Subsec. B.)

3 Source Law

4 B. In the event that the authority, in the  
5 exercise of the power of eminent domain or power of  
6 relocation, or any other power granted hereunder,  
7 makes necessary the relocation, raising, rerouting or  
8 changing the grade of, or altering the construction  
9 of, any highway, railroad, electric transmission line,  
10 telegraph or telephone properties and facilities, or  
11 pipeline, all such necessary relocation, raising,  
12 rerouting, changing of grade or alteration of  
13 construction shall be accomplished at the sole expense  
14 of the authority. The term "sole expense" shall mean  
15 the actual cost of such relocation, raising, lowering,  
16 rerouting, or change in grade or alteration of  
17 construction in providing comparable replacement  
18 without enhancement of such facilities, after  
19 deducting therefrom the net salvage value derived from  
20 the old facility.

21 Revisor's Note  
22 (End of Subchapter)

23 (1) Subsection B(3), Section 5, Chapter 600,  
24 Acts of the 63rd Legislature, Regular Session, 1973,  
25 provides the district with authority to acquire  
26 property. The revised law omits this provision  
27 because it duplicates Sections 49.211(b), 49.218, and  
28 49.219, Water Code. The omitted law reads:

29 [B. Not by way of limitation, the  
30 authority shall have and is hereby  
31 expressly granted the following rights,  
32 powers, privileges and functions:]

33 . . .  
34 (3) The right, power and  
35 authority to make, purchase, construct,  
36 lease or otherwise acquire property, works,  
37 facilities and improvements (whether  
38 previously existing or to be made,  
39 constructed or acquired), within or without  
40 the boundaries of the authority, necessary  
41 to carry out the rights, powers and  
42 authority granted by this Act and the  
43 general laws;  
44 . . .

45 (2) Subsection C, Section 13, Chapter 600, Acts  
46 of the 63rd Legislature, Regular Session, 1973,  
47 provides that the authority is not required to give  
48 bond for appeal or bond for costs in suits to which it  
49 is a party. The revised law omits this provision  
50 because it duplicates Section 49.066(f), Water Code.

1 Section 49.066(f) provides that certain districts are  
2 not required to give bond for appeal or bond for costs  
3 in suits to which they are a party. The omitted law  
4 reads:

5 C. The authority shall not be  
6 required to give bond for appeal or bond for  
7 costs in any condemnation suit or any other  
8 suit to which it may be a party.

9 [Sections 8104.209-8104.250 reserved for expansion]

10 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

11 Revised Law

12 Sec. 8104.251. FISCAL YEAR. The authority's fiscal year is  
13 from October 1 to September 30, unless the board changes the fiscal  
14 year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 14 (part).)

15 Source Law

16 Sec. 14. . . . The fiscal year of the authority  
17 shall be from October 1 to September 30 of the  
18 following year, unless and until changed by the board.  
19 . . .

20 Revised Law

21 Sec. 8104.252. AUTHORITY DEPOSITORY. (a) With the prior  
22 approval of the Baytown City Council, the board shall select one or  
23 more banks in this state to act as depository for the authority's  
24 money.

25 (b) To the extent that money in a depository bank is not  
26 insured by the Federal Deposit Insurance Corporation, the money  
27 shall be secured in the manner provided by law for the security of  
28 the City of Baytown's money. (Acts 63rd Leg., R.S., Ch. 600, Sec.  
29 14 (part).)

30 Source Law

31 Sec. 14. With the prior approval of the City  
32 Council of the City of Baytown, the board of directors  
33 of the authority shall select any bank or banks in the  
34 State of Texas to act as depository or depositories for  
35 the funds of the authority. To the extent that funds  
36 in the depository bank or banks are not insured by the  
37 Federal Deposit Insurance Corporation, they shall be  
38 secured in the manner provided by law for the security  
39 of funds of the City of Baytown. . . .

40 Revisor's Note

41 Section 14, Chapter 600, Acts of the 63rd

1 Legislature, Regular Session, 1973, provides that if  
2 Article 2529c, Vernon's Texas Civil Statutes, is  
3 complied with, a director may be a shareholder in a  
4 depository bank. That statute was codified in 1993 as  
5 Section 404.0211, Government Code, and Section  
6 131.903, Local Government Code. The revised law omits  
7 the provision because it duplicates Section 131.903,  
8 Local Government Code, which applies to the authority  
9 by its own terms. The omitted law reads:

10                   Sec. 14. . . . So long as the  
11                   provisions of Article 2529c, Vernon's Texas  
12                   Civil Statutes are observed, any director  
13                   of the authority may be a shareholder in  
14                   said depository bank or banks.  
15                   . . .

16   Revised Law

17           Sec. 8104.253. INVESTMENT AUTHORITY. The authority may  
18 invest:

19                   (1) money held in any sinking fund, reserve fund, or  
20 other fund; or

21                   (2) money not required for immediate use or  
22 disbursement in the securities as provided by this chapter. (Acts  
23 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

24   Source Law

25           A. The authority is authorized to:

26                   . . .  
27                   (3) invest any money held in any sinking  
28 fund, reserve fund, or other fund or any money not  
29 required for immediate use or disbursement in the  
30 securities as provided in this Act;  
31                   . . .

32   Revised Law

33           Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES. (a) The  
34 authority may:

35                   (1) set, charge, alter, and collect a reasonable rent,  
36 rate, fee, or other charge for the use of a facility or for a service  
37 rendered by the authority; and

38                   (2) provide for the imposition of a reasonable penalty  
39 for a delinquent rent, rate, fee, or charge.

40           (b) The authority shall set, charge, alter, and collect

1 rent, rates, fees, and charges in amounts that are sufficient to  
2 produce revenue adequate to fulfill an agreement with the holders  
3 of bonds or notes issued under this chapter. (Acts 63rd Leg., R.S.,  
4 Ch. 600, Sec. 12, Subsec. A (part).)

5 Source Law

6 A. The authority is authorized to:

7  
8 (5) fix, charge, alter and collect  
9 reasonable rentals, rates, fees and other charges for  
10 the use of any facilities or for any services rendered  
11 by the authority and provide for the imposition of  
12 reasonable penalties for any of these rentals, rates,  
13 fees and charges that are delinquent, and further to  
14 comply with its mandatory duty to fix, charge, alter  
15 and collect the rentals, rates, fees and charges which  
16 are sufficient to produce revenues adequate to fulfill  
17 any agreement with the holders of bonds or notes issued  
18 under the provisions of this Act.

19 Revised Law

20 Sec. 8104.255. GRANTS AND ASSISTANCE. The authority may:

21 (1) apply for, accept, and administer a grant, loan,  
22 or other assistance from the United States, this state, or another  
23 state to carry out the purpose of this chapter; and

24 (2) enter into an agreement as provided by the  
25 authority in connection with the grant, loan, or other assistance.

26 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

27 Source Law

28 Sec. 12. A. The authority is authorized to:

29  
30 (4) apply for, accept and administer  
31 grants, loans and other assistance from the United  
32 States and any agency or instrumentality of this state  
33 or any other state to carry out the purpose of this  
34 Act, and to enter into any agreement in relation to  
35 these grants, loans or other assistance as may be  
36 provided by the authority which is not in conflict with  
37 the constitution of this state; and  
38 . . .

39 Revisor's Note

40 (1) Subsection A(4), Section 12, Chapter 600,  
41 Acts of the 63rd Legislature, Regular Session, 1973,  
42 refers to "the United States and any agency or  
43 instrumentality of this state or any other state." The  
44 reference to agencies or instrumentalities of this  
45 state or any other state is omitted because in the

1 context of Subsection A(4) a state cannot act except  
2 through such persons; therefore, a reference to a  
3 state includes its agencies or instrumentalities.

4 (2) Subsection A(4), Section 12, Chapter 600,  
5 Acts of the 63rd Legislature, Regular Session, 1973,  
6 provides that the authority may enter into an  
7 agreement "which is not in conflict with the  
8 constitution of this state." The revised law omits the  
9 reference to the Texas Constitution as unnecessary  
10 because the state cannot modify constitutional  
11 requirements by statute.

#### 12 Revised Law

13 Sec. 8104.256. PROPERTY TAX PROHIBITION. The authority may  
14 not:

15 (1) impose a tax on real, personal, or mixed property;

16 or

17 (2) issue a bond or create debt payable directly from  
18 ad valorem taxes imposed by the authority. (Acts 63rd Leg., R.S.,  
19 Ch. 600, Sec. 9, Subsec. A.)

#### 20 Source Law

21 Sec. 9. A. The authority shall have no right,  
22 power or authority to impose, levy, assess or collect  
23 taxes on any property, real, personal or mixed, nor  
24 shall the authority have the right, power or authority  
25 to issue bonds or create indebtedness which would be  
26 payable directly from ad valorem taxes levied by the  
27 authority.

#### 28 Revisor's Note

29 Subsection A, Section 9, Chapter 600, Acts of the  
30 63rd Legislature, Regular Session, 1973, states that  
31 the authority may not "impose, levy, assess or collect  
32 taxes" on certain property. The references to "levy,"  
33 "assess," and "collect" are omitted from the revised  
34 law because "impose" is the term generally used in  
35 Title 1, Tax Code, and includes the levy, assessment,  
36 and collection of a property tax.



1 SUBCHAPTER G. BONDS AND NOTES

2 Revised Law

3 Sec. 8104.301. BORROWING THROUGH BONDS OR NOTES. (a) After  
4 the action is approved by the Baytown City Council, the authority  
5 may borrow money to carry out any power granted to the authority by:

6 (1) issuing and selling revenue bonds or negotiable or  
7 nonnegotiable notes payable from and secured by the sources  
8 described in this chapter; and

9 (2) delivering the bonds or notes to the United States  
10 or to this state when it is determined by the board to be in the best  
11 interest of the authority.

12 (b) The bonds or notes must be authorized by a board  
13 resolution in which a majority of the board's membership concurs.

14 (c) The board must provide the terms of the bonds or notes  
15 and the rights of the holders of the bonds or notes.

16 (d) The Baytown City Council must approve the bonds or notes  
17 before they are issued.

18 (e) The board is not required to hold an election before  
19 issuing and selling revenue bonds. (Acts 63rd Leg., R.S., Ch. 600,  
20 Sec. 12, Subsecs. A (part), B (part).)

21 Source Law

22 A. The authority is authorized to:

23 . . .  
24 (2) with the prior approval of the City  
25 Council of the City of Baytown, borrow money from time  
26 to time for the purpose of carrying out any of the  
27 powers granted to the authority by:

28 (a) issuing and selling negotiable or  
29 nonnegotiable notes and providing the terms and  
30 conditions of these notes and the rights of the holders  
31 of these notes payable from and secured by the sources  
32 described in this Act;

33 (b) issuing and selling revenue bonds  
34 without the necessity of an election and providing the  
35 terms and conditions of these bonds and the rights of  
36 the holders of these bonds payable from and secured by  
37 the sources described in this Act; and

38 (c) delivering such notes and bonds  
39 to the United States, or any agency or instrumentality  
40 thereof, or to the State of Texas, or any agency or  
41 instrumentality thereof, when it is determined by the  
42 board of directors to be in the best interest to the  
43 authority.

44 . . .  
45 B. All bonds and notes of the authority shall be  
46 authorized by resolution or resolutions of the board,  
47 concurred in by at least a majority of such board

1 members and further approved by the City Council of the  
2 City of Baytown prior to issuance thereof. . . .

3 Revisor's Note

4 Subsection A, Section 12, Chapter 600, Acts of  
5 the 63rd Legislature, Regular Session, 1973, states  
6 that bonds or notes may be issued "from time to time."  
7 Throughout this chapter, the revised law omits the  
8 quoted language because without an express limitation  
9 the power to take an action includes the power to act  
10 "from time to time."

11 Revised Law

12 Sec. 8104.302. REFUNDING BONDS. (a) After the action is  
13 approved by the Baytown City Council, the board by resolution may  
14 authorize the issuance of refunding bonds or notes to refund  
15 outstanding bonds or notes issued under this chapter and their  
16 accrued interest.

17 (b) The authority may:

18 (1) sell the refunding bonds or notes and use the  
19 proceeds to retire the outstanding bonds or notes; or

20 (2) exchange the refunding bonds or notes for the  
21 outstanding bonds or notes.

22 (c) To the extent the provisions of this chapter relating to  
23 original bonds or notes may be made applicable, those provisions  
24 apply to:

25 (1) the issuance of the refunding bonds or notes;

26 (2) the maturity of the refunding bonds or notes;

27 (3) the rights of the bondholders; and

28 (4) the authority's duties regarding refunding bonds  
29 or notes.

30 (d) The authority also may refund bonds or notes under any  
31 general law of this state. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
32 Subsec. I.)

33 Source Law

34 I. With the prior approval of the City Council  
35 of the City of Baytown, the authority may provide by  
36 resolution for the issuance of refunding bonds or  
37 notes to refund outstanding bonds or notes issued



1 under this Act and their accrued interest. The  
2 authority may sell the refunding bonds or notes and use  
3 the proceeds to retire the outstanding bonds or notes  
4 issued under this Act or the authority may exchange the  
5 refunding bonds or notes for the outstanding bonds or  
6 notes. The issuance of the refunding bonds or notes,  
7 their maturity, the rights of the bondholders, and the  
8 duties of the authority with respect to refunding  
9 bonds or notes are governed by the provisions of this  
10 Act relating to original bonds or notes, to the extent  
11 that they may be made applicable. The authority may  
12 also refund any bonds or notes under the provisions of  
13 any general laws of the State of Texas.

14 Revised Law

15 Sec. 8104.303. FORM OF BONDS; LIABILITY. (a) Bonds or  
16 notes, including a coupon attached to a bond or note, issued under  
17 this chapter shall:

18 (1) be signed by the board's president or vice  
19 president; and

20 (2) be attested by the board's secretary.

21 (b) A director, a board officer, or a person who executes a  
22 bond, note, or coupon for the authority is not liable personally on  
23 the bond, note, or coupon by participating in its issuance. (Acts  
24 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. C (part).)

25 Source Law

26 C. (1) Bonds or notes and any coupons  
27 appurtenant thereto issued under the provisions of  
28 this Act shall be signed by the president or  
29 vice-president of the board of directors, be attested  
30 by the board's secretary, and bear the seal of the  
31 authority.

32 . . .  
33 (4) Neither the members or officers of the  
34 authority nor anyone executing the bonds, notes or  
35 coupons for and on behalf of the authority shall be  
36 liable personally on the bonds, notes or coupons of the  
37 authority by reason of participation in any way in the  
38 issuance of them.

39 Revisor's Note

40 Subsection C(1), Section 12, Chapter 600, Acts of  
41 the 63rd Legislature, Regular Session, 1973, provides  
42 that bonds or notes issued by the authority must "bear  
43 the seal of the authority." The revised law omits that  
44 provision because it was impliedly repealed by Section  
45 1201.026, Government Code, which provides that a  
46 public security may be signed with or without a seal.  
47 Throughout this chapter, the revised law omits law

1 that duplicates Chapter 1201, Government Code (Public  
2 Security Procedures Act), or that has been impliedly  
3 repealed by that chapter. Chapter 1201 applies to the  
4 authority because the authority is an "issuer" under  
5 Section 1201.002.

6 Revised Law

7 Sec. 8104.304. MATURITY. Bonds or notes issued under this  
8 chapter must mature within 40 years. (Acts 63rd Leg., R.S., Ch.  
9 600, Sec. 12, Subsec. B (part).)

10 Source Law

11 B. [All bonds and notes of the authority  
12 shall] . . . mature at such time or times, serially,  
13 term or otherwise, in not more than forty (40) years  
14 from their dates; . . . .

15 Revisor's Note

16 Subsection B, Section 12, Chapter 600, Acts of  
17 the 63rd Legislature, Regular Session, 1973, provides  
18 that bonds issued under that law may mature "at such  
19 time or times, serially, term or otherwise." The  
20 revised law omits the quoted language because it  
21 duplicates Section 1201.022, Government Code.

22 Revised Law

23 Sec. 8104.305. RESOLUTION AND TRUST INDENTURE PROVISIONS.

24 (a) A board resolution authorizing bonds or notes or a trust  
25 indenture securing bonds or notes may contain provisions that:

26 (1) to secure the payment of the bonds or notes, pledge  
27 all or a designated part of the authority's revenue and receipts  
28 from the planning, financing, ownership, operation, or leasing of,  
29 or otherwise in connection with, a specified facility or asset, or  
30 that are otherwise connected to the facility or asset;

31 (2) to secure the payment of the bonds or notes, pledge  
32 all or part of the authority's assets, including an obligation  
33 acquired by the authority;

34 (3) relate to the use and disposition of rents, rates,  
35 fees, and other charges made or received by the authority;

36 (4) pledge to set, charge, alter, and collect rents,

1 rates, fees, or other charges for a designated facility or asset  
2 that will produce revenue adequate to:

3 (A) pay all expenses necessary to operate and  
4 maintain the designated facility or asset;

5 (B) pay the interest on and principal of all  
6 bonds or notes issued and payable from the revenues and receipts as  
7 the interest and principal become due and payable;

8 (C) pay all sinking fund, reserve fund, or other  
9 fund payments agreed to be made related to any bonds or notes  
10 payable out of the revenues and receipts as the payments become due  
11 and payable; and

12 (D) fulfill the terms of an agreement made with:

13 (i) the bond or note holders; or

14 (ii) a person on behalf of the bond or note  
15 holders;

16 (5) set aside the reserves or sinking funds and that  
17 provide for the regulation and disposition of the reserves or  
18 sinking funds;

19 (6) limit the purpose to which the proceeds from the  
20 sale of the bonds or notes may be applied and that pledge the  
21 proceeds to secure the payment of the bonds or notes;

22 (7) limit the issuance of additional bonds and the  
23 refunding of outstanding or other bonds or notes;

24 (8) relate to the acquisition, construction,  
25 improvement, operation, extension, enlargement, maintenance, or  
26 repair of a facility or asset and the duties of the authority  
27 relating to the facility or asset;

28 (9) relate to the procedure by which the terms of an  
29 agreement with the bond or note holders may be amended or abrogated,  
30 the amount of bonds or notes the holders of which are required to  
31 give consent to, and the manner in which the consent may be given;

32 (10) limit the amount of money to be spent by the  
33 authority for administrative or other expenses;

34 (11) vest in a trustee or other fiduciary the

1 property, rights, powers, and duties in trust as the authority  
2 determines, including the rights, powers, and duties of the trustee  
3 appointed by the bond or note holders under this chapter;

4 (12) abrogate the right of the bond or note holders to  
5 appoint a trustee under this chapter or limit the rights, powers,  
6 and duties of the trustee;

7 (13) provide for the management, operation, and  
8 control of a specified authority facility or asset by a board of  
9 trustees to be named in the resolution or trust indenture and that  
10 specify:

11 (A) the terms of office of the board of trustees;

12 (B) the powers and duties of the board of  
13 trustees;

14 (C) the manner of exercising those powers and  
15 duties;

16 (D) the appointment of successors; and

17 (E) all matters relating to the organization and  
18 duties of the board of trustees;

19 (14) govern the issuance of bonds or notes to replace  
20 lost, stolen, or mutilated bonds or notes; and

21 (15) relate to any other matter that affects the  
22 security or protection of the:

23 (A) bonds or notes; or

24 (B) bond or note holders.

25 (b) A provision authorized by this section that is contained  
26 in the resolution or trust indenture is a part of the agreement with  
27 the holders of the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600,  
28 Sec. 12, Subsecs. E, G (part).)

29 Source Law

30 E. A resolution authorizing bonds or notes or a  
31 trust indenture securing bonds or notes may contain  
32 provisions, which shall be a part of the agreement with  
33 the holders, as to:

34 (1) pledging all or any designated part of  
35 the revenues and receipts of the authority, received  
36 or to be received from the planning, financing,  
37 ownership or operation of, leasing, or otherwise in  
38 connection with, any specified facilities or assets to  
39 secure the payment of the bonds or notes;

1 (2) pledging all or any part of assets of  
2 the authority, including any obligation acquired by  
3 the authority, to secure the payment of the bonds or  
4 notes;

5 (3) the use and disposition of rentals,  
6 rates, fees and other charges made or received by the  
7 authority;

8 (4) pledging to fix, charge, alter and  
9 collect rents, rates, fees and other charges with  
10 respect to any designated facilities or assets which  
11 will be sufficient to produce revenues adequate to pay  
12 all expenses necessary to the operation and  
13 maintenance of the designated facilities or assets of  
14 the authority, to pay the interest on and principal of  
15 all bonds or notes issued and payable out of the  
16 revenues and receipts when and as the same become due  
17 and payable, to pay all sinking fund and/or reserve or  
18 other fund payments agreed to be made in respect of any  
19 of these bonds or notes payable out of the revenues and  
20 receipts when and as the same shall become due and  
21 payable, and to fulfill the terms of any agreement made  
22 with the holders of the bonds or notes and/or with any  
23 person in their behalf;

24 (5) the setting aside of reserves or  
25 sinking funds and the regulation and disposition of  
26 them;

27 (6) limitations on the purpose to which  
28 the proceeds from the sale of the bonds or notes may be  
29 applied and pledging the proceeds to secure the  
30 payment of the bonds or notes;

31 (7) limitations on the issuance of  
32 additional bonds and on the refunding of outstanding  
33 or other bonds or notes;

34 (8) the acquisition, construction,  
35 improvement, operation, extension, enlargement,  
36 maintenance and repair of any facilities or assets and  
37 the duties of the authority with reference to them;

38 (9) the procedure, if any, by which the  
39 terms of any agreement with bondholders or noteholders  
40 may be amended or abrogated, the amount of bonds or  
41 notes the holders of which are required to give consent  
42 to, and the manner in which the consent may be given;

43 (10) limitations on the amount of money to  
44 be expended by the authority for administrative or  
45 other expenses;

46 (11) vesting in a trustee or other  
47 fiduciary the property, rights, powers and duties in  
48 trust as the authority determines, which may include  
49 any of the rights, powers and duties of the trustee  
50 appointed by the bondholders or noteholders pursuant  
51 to this Act, and abrogating the right of the  
52 bondholders or noteholders to appoint a trustee under  
53 this Act or limiting the rights, powers and duties of  
54 the trustee;

55 (12) placing the management, operation and  
56 control of specified facilities or assets of the  
57 authority in the hands of a board of trustees to be  
58 named in the resolution or trust indenture and  
59 specifying the terms of office of the board of  
60 trustees, their powers and duties, the manner of  
61 exercising the same, the appointment of successors,  
62 and all matters pertaining to their organization and  
63 duties; and

64 (13) any other matters, of like or  
65 different character, which in any way affect the  
66 security or protection of the bonds or notes or the  
67 bondholders or noteholders.

68 G. . . . The resolution or trust indenture may

1 also contain provisions governing the issuance of  
2 bonds and notes to replace lost, stolen or mutilated  
3 bonds or notes.

4 Revisor's Note

5 Subsection E(1), Section 12, Chapter 600, Acts of  
6 the 63rd Legislature, Regular Session, 1973, refers to  
7 revenues and receipts "received or to be received" by  
8 the authority. The revised law omits the quoted  
9 language because it is not a limitation and  
10 encompasses any possible period. The revised law  
11 plainly refers to revenue and receipts irrespective of  
12 when they were received.

13 Revised Law

14 Sec. 8104.306. SECURITY FOR BONDS OR NOTES. (a) Bonds or  
15 notes of the authority and the interest on the bonds or notes may be  
16 secured by and payable only from the sources authorized by this  
17 chapter.

18 (b) The bonds or notes may be secured by and payable from a  
19 pledge of all or part of:

20 (1) the authority's revenues, receipts, or assets; or

21 (2) the revenues of one or more past or future leases  
22 or other contracts.

23 (c) A pledge made under this section must be specified:

24 (1) by the resolution authorizing the bonds or notes;

25 or

26 (2) by the trust indenture or other instrument  
27 securing the bonds or notes.

28 (d) The lien of the pledge or security instrument is binding  
29 against all parties having claims of any kind against the  
30 authority, including tort or contract claims, regardless of whether  
31 the parties have notice of the lien.

32 (e) A pledge made under this section may reserve to the  
33 authority the right, under conditions the pledge specifies, to  
34 issue additional bonds or notes that will be on a parity with or  
35 subordinate to the bonds or notes then being issued. (Acts 63rd  
36 Leg., R.S., Ch. 600, Sec. 12, Subsecs. D (part), O.)

1 Source Law

2 D. (1) The bonds or notes of the authority may  
3 be secured by and payable from pledges of all or any  
4 part of the revenues, receipts or assets of the  
5 authority or the revenues of any one or more leases or  
6 other contracts theretofore or thereafter made, all of  
7 which shall be specified by the resolution of the  
8 authority or in the trust indenture or other  
9 instrument securing the bonds or notes. The pledge may  
10 reserve the right, under conditions specified in it,  
11 to issue additional bonds or notes which will be on a  
12 parity with or subordinate to the bonds or notes then  
13 being issued.

14 (2) . . . The lien of the pledge or  
15 security instrument is valid and binding against all  
16 parties having claims of any kind in tort, contract or  
17 otherwise against the authority, irrespective of  
18 whether the parties have notice of it. . . .

19 O. Bonds and notes issued under this act,  
20 together with the interest on them, shall be secured by  
21 and payable only from the sources provided by the terms  
22 of this Act.

23 Revisor's Note

24 Subsection D, Section 12, Chapter 600, Acts of  
25 the 63rd Legislature, Regular Session, 1973, provides  
26 that a lien is valid and binding from the time it is  
27 made. The revised law omits "valid" because in this  
28 context the meaning of the word is included in the  
29 meaning of "binding."

30 Revised Law

31 Sec. 8104.307. TRUST INDENTURE. (a) Bonds or notes,  
32 including refunding bonds, authorized by this chapter may be  
33 additionally secured by a trust indenture under which the trustee  
34 may be a bank that has trust powers. The bank may be located in or  
35 outside of this state.

36 (b) Regardless of any mortgage or deed of trust lien or  
37 security interest in the facilities or assets, the trust indenture  
38 may:

39 (1) contain any provision prescribed by the authority  
40 and the Baytown City Council for the security of the bonds or notes  
41 and the preservation of the trust estate;

42 (2) provide for amendment or modification of the trust  
43 indenture;

44 (3) condition the right to spend authority money or to

1 sell the authority's facilities or assets on approval of a licensed  
2 engineer selected as provided by the trust indenture; and

3 (4) include any other provision to protect and enforce  
4 the rights and remedies of the bond or note holders as may be  
5 reasonable and proper. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
6 Subsec. G (part).)

7 Source Law

8 G. Any bonds or notes, including refunding  
9 bonds, authorized by this Act may be additionally  
10 secured by a trust indenture under which the trustee  
11 may be a bank having trust powers situated either  
12 within or outside the state. . . . Such trust  
13 indenture, regardless of the mortgage or the deed of  
14 trust lien or security interest in the facilities or  
15 assets may contain any provisions prescribed by the  
16 authority and the City Council of the City of Baytown  
17 for the security of the bonds or notes and the  
18 preservation of the trust estate, and may make  
19 provision for amendment or modification of them, and  
20 may condition the right to expend the authority's money  
21 or sell the authority's facilities or assets upon  
22 approval of a registered professional engineer  
23 selected as provided therein, and may make any other  
24 provisions for protecting and enforcing the rights and  
25 remedies of the bondholders or noteholders as may be  
26 reasonable and proper and not in violation of the law.  
27 . . .

28 Revisor's Note

29 (1) Subsection G, Section 12, Chapter 600, Acts  
30 of the 63rd Legislature, Regular Session, 1973, refers  
31 to a "registered professional engineer." The revised  
32 law substitutes "licensed engineer" for the quoted  
33 phrase to conform to the terminology used in Chapter  
34 1001, Occupations Code. Under Chapter 1001, engineers  
35 are licensed, not registered. The revised law is  
36 drafted accordingly.

37 (2) Subsection G, Section 12, Chapter 600, Acts  
38 of the 63rd Legislature, Regular Session, 1973,  
39 provides that a trust indenture may contain provisions  
40 "for protecting and enforcing the rights and remedies  
41 of the bondholders or noteholders as may be reasonable  
42 and proper and not in violation of the law." The  
43 revised law omits "not in violation of the law" because  
44 the absence of the phrase does not imply that the



1 authority may authorize an illegal provision.

2 Revised Law

3 Sec. 8104.308. ADDITIONAL SECURITY. At the discretion of  
4 the authority and the Baytown City Council, bonds or notes issued  
5 under this chapter may be secured additionally by a mortgage or a  
6 deed of trust lien or security interest on facilities or assets of  
7 the authority and all real property, franchises, easements, leases,  
8 contracts, and rights appurtenant to the properties that vest in  
9 the trustee the power to:

10 (1) sell the facilities or assets for payment of the  
11 debt;

12 (2) operate the facilities or assets; and

13 (3) take any other action to secure the bonds or notes.

14 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. G (part).)

15 Source Law

16 G. . . . The bonds or notes, within the  
17 discretion of both the authority and the City Council  
18 of the City of Baytown, may be additionally secured by  
19 a mortgage or a deed of trust lien or security interest  
20 on facilities or assets of the authority and all real  
21 property, franchises, easements, leases and contracts  
22 and all rights appurtenant to the properties, vesting  
23 in the trustee power to sell such facilities or assets  
24 for the payment of the indebtedness, power to operate  
25 such facilities or assets and all other powers and  
26 authority for the further security of the bonds or  
27 notes. . . .

28 Revised Law

29 Sec. 8104.309. REVIEW AND APPROVAL OF CONTRACTS RELATING TO  
30 BONDS OR NOTES. (a) If bonds or notes issued under this chapter  
31 state that the bonds or notes are secured by a pledge of the  
32 revenues and receipts of a lease or other contract made between the  
33 authority and a person, a copy of the lease or contract may be  
34 submitted to the attorney general with the bonds or notes.

35 (b) If the attorney general finds that the bonds or notes  
36 have been authorized and that the lease or contract has been made in  
37 accordance with law, the attorney general shall approve the bonds  
38 or notes and the lease or contract. (Acts 63rd Leg., R.S., Ch. 600,  
39 Sec. 12, Subsec. J (part).)

1 Source Law

2 J. . . . If the bonds and notes recite that they  
3 are secured by a pledge of the revenues and receipts of  
4 a lease or leases or other contract or contracts  
5 previously made between the authority and any person,  
6 the leases and contracts may also be submitted to the  
7 Attorney General. If the bonds or notes have been  
8 validly authorized and if the leases or contracts have  
9 been made in accordance with the constitution and laws  
10 of the State, the Attorney General shall approve the  
11 bonds or notes and the leases or contracts and . . . .

12 Revisor's Note

13 Subsection J, Section 12, Chapter 600, Acts of  
14 the 63rd Legislature, Regular Session, 1973, provides  
15 that if bonds or notes issued under Chapter 600 are  
16 authorized and if certain leases or contracts entered  
17 into by the authority are made in accordance with the  
18 law, the attorney general shall approve the bonds or  
19 notes and the leases or contracts. The revised law  
20 specifies that the attorney general is to make a  
21 finding because Section 1202.003, Government Code,  
22 assigns that duty to the attorney general.

23 Revised Law

24 Sec. 8104.310. BONDS AND NOTES EXEMPT FROM TAXATION. A bond  
25 or note issued under this chapter, the interest on the bond or note,  
26 and the profit from the sale of the bond or note are exempt from  
27 taxation by this state or a political subdivision of this state.  
28 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. N.)

29 Source Law

30 N. Bonds and notes issued under the provisions  
31 of this Act, the interest on them, and the profit from  
32 the sale of them, shall be exempt from taxation by the  
33 State or by any municipal corporation, county or other  
34 political subdivision or taxing district of the State.

35 Revisor's Note

36 Subsection N, Section 12, Chapter 600, Acts of  
37 the 63rd Legislature, Regular Session, 1973, refers to  
38 a "county or other political subdivision or taxing  
39 district of the State." The revised law omits the  
40 reference to a "county" and "taxing unit" because, in  
41 context, the terms are included in the meaning of

1 "political subdivision" of this state.

2 Revised Law

3 Sec. 8104.311. BOND OR NOTE SALE PROCEEDS. Proceeds from  
4 the sale of bonds or notes issued by the authority shall be:

5 (1) deposited in a depository bank; and

6 (2) paid out under the terms to which the authority and  
7 the purchasers agree. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
8 Subsec. B (part).)

9 Source Law

10 B. . . . The proceeds of the sale of the bonds or  
11 notes shall be deposited in the depository bank or  
12 banks and shall be paid out pursuant to the terms and  
13 conditions as may be agreed upon by the authority and  
14 the purchasers.

15 Revised Law

16 Sec. 8104.312. INVESTMENT OF FUNDS AND USE OF PROCEEDS. (a)  
17 The authority may direct the investment of money in the funds  
18 created by the resolution authorizing bonds or notes or by a trust  
19 indenture or other instrument securing bonds or notes issued under  
20 this chapter.

21 (b) The authority may set aside proceeds from the sale of  
22 bonds or notes for payment into:

23 (1) the interest and sinking fund until completion of  
24 construction and until adequate revenues and receipts are available  
25 from operations to pay principal and interest; or

26 (2) reserve funds.

27 (c) The authority may provide, in the resolution  
28 authorizing the bonds or notes or in the trust indenture or other  
29 instrument, for setting aside the proceeds as described by  
30 Subsection (b).

31 (d) Proceeds from the sale of bonds or notes may be used to  
32 pay all expenses of issuing and selling the bonds or notes.

33 (e) Proceeds from the sale of bonds or notes and money in  
34 funds created in connection with the bonds or notes may be invested:

35 (1) in direct or indirect obligations of or  
36 obligations unconditionally guaranteed by the United States

1 maturing in the manner that may be specified by the resolution  
2 authorizing the bonds or notes or by the trust indenture or other  
3 instrument securing the bonds or notes; or

4 (2) in bank or trust company certificates of deposit  
5 that are secured by the obligations described in Subdivision (1).  
6 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. H.)

7 Source Law

8 H. The authority shall have the power to direct  
9 the investment of money in the funds created by the  
10 resolutions, trust indentures or other instruments  
11 securing the bonds or notes. From the proceeds from  
12 the sale of the bonds or notes, the authority may set  
13 aside amounts for payments into the interest and  
14 sinking fund until completion of construction and  
15 until adequate revenues and receipts are available  
16 from operations to pay principal and interest, amounts  
17 for payments into reserve funds, and provisions for  
18 such may be made in the resolution authorizing the  
19 bonds, notes or the trust indenture or other  
20 instrument securing the bonds or notes. Proceeds from  
21 the sale of the bonds or notes may be used for the  
22 payment of all expenses of issuing and selling the  
23 bonds or notes. The proceeds from the sale of the  
24 bonds and notes and money in any funds created in  
25 connection with the bonds or notes may be invested:

26 (1) in direct or indirect obligations of  
27 or obligations unconditionally guaranteed by the  
28 United States maturing in the manner that may be  
29 specified by the resolution authorizing the bonds or  
30 notes or the trust indenture or other instrument  
31 securing the bonds or notes; or

32 (2) in certificates of deposit of any bank  
33 or trust company which deposits are secured by the  
34 obligations described in Subdivision (1) of this  
35 Subsection.

36 Revised Law

37 Sec. 8104.313. APPOINTMENT OF RECEIVER. (a) The  
38 resolution authorizing the issuance of the bonds or notes, or the  
39 trust indenture or other instrument securing the bonds or notes,  
40 may provide that, on petition of the holders of outstanding bonds or  
41 notes, a court may appoint a receiver for the authority:

42 (1) on default in the payment of the principal of or  
43 interest on bonds or notes; or

44 (2) under the conditions stated in the resolution,  
45 trust indenture, or other instrument, on a threatened default in  
46 the payment of the principal of or interest on bonds or notes.

47 (b) The receiver may collect and receive pledged revenues  
48 and receipts.

1 (c) The resolution, trust indenture, or other instrument  
2 may limit or qualify the rights of less than all of the holders of  
3 outstanding bonds or notes payable from the same source to  
4 institute or prosecute litigation affecting the authority's  
5 properties or revenues. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
6 Subsec. F.)

7 Source Law

8 F. The resolution authorizing the issuance of  
9 the bonds or notes or the trust indenture or other  
10 instrument securing them may provide that in the event  
11 of a default or, under the conditions therein stated, a  
12 threatened default in the payment of principal or of  
13 interest on bonds or notes, any court of competent  
14 jurisdiction may, upon petition of the holders of  
15 outstanding bonds or notes, appoint a receiver with  
16 authority to collect and receive pledged revenues and  
17 receipts, and the instruments may limit or qualify the  
18 rights of less than all of the holders of the  
19 outstanding bonds or notes payable from the same  
20 source to institute or prosecute any litigation  
21 affecting the authority's properties or revenues.

22 Revisor's Note

23 Subsection F, Section 12, Chapter 600, Acts of  
24 the 63rd Legislature, Regular Session, 1973, refers to  
25 a court "of competent jurisdiction." Throughout this  
26 subchapter, the revised law omits the quoted language  
27 because a suit may only be brought in a court, and the  
28 general laws of civil jurisdiction determine which  
29 courts have "competent jurisdiction" over the matter.  
30 For example, see Section 24.303, Government Code, for  
31 the jurisdiction of certain district courts to appoint  
32 receivers.

33 Revised Law

34 Sec. 8104.314. ENFORCEMENT. The following may be enforced  
35 in a court by mandamus or other appropriate proceeding:

36 (1) payment of bonds or notes according to the term and  
37 tenor;

38 (2) performance of agreements with the holders of  
39 bonds or notes or any person on their behalf; and

40 (3) performance of official duties prescribed by this  
41 chapter in connection with bonds or notes. (Acts 63rd Leg., R.S.,

1 Ch. 600, Sec. 12, Subsec. L.)

2 Source Law

3 L. Payment of any bonds and notes according to  
4 the term and tenor, performance of agreements with the  
5 holders of bonds or notes or any person in their  
6 behalf, and performance of official duties prescribed  
7 by the provisions of this Act in connection with any  
8 bonds or notes may be enforced in any court of  
9 competent jurisdiction by mandamus or other  
10 appropriate proceeding.

11 Revised Law

12 Sec. 8104.315. STATE PLEDGE REGARDING RIGHTS AND REMEDIES  
13 OF BOND OR NOTE HOLDERS. (a) The state pledges to and agrees with  
14 the holders of bonds or notes issued under this chapter that the  
15 state will not limit or alter the rights vested in the authority to  
16 fulfill the terms of agreements made with the holders that are  
17 consistent with this chapter or impair the rights and remedies of  
18 the holders until the following are fully discharged:

- 19 (1) the bonds or notes;  
20 (2) interest on the bonds or notes;  
21 (3) interest on any unpaid installments of interest;  
22 and  
23 (4) all costs and expenses for which the authority is  
24 liable related to an action or proceeding by or on behalf of the  
25 holders.

26 (b) The authority may include the state's pledge and  
27 agreement under Subsection (a) in an agreement with the holders of  
28 the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
29 Subsec. P (part).)

30 Source Law

31 P. . . . This State, however, pledges and agrees  
32 with the holders of any bonds or notes issued under  
33 this Act that it will not limit or alter the rights  
34 vested in the authority to fulfill the terms of any  
35 agreements made with the holders of the bonds or notes  
36 consistent herewith, or in any way impair the rights  
37 and remedies of the holders until the bonds or notes,  
38 together with interest on them, with interest on any  
39 unpaid installments of interest, and all costs and  
40 expenses for which the authority is liable in  
41 connection with any action or proceedings by or on  
42 behalf of the holders, are fully met and discharged.  
43 The authority may include this pledge and agreement of  
44 the State in any agreements it makes with the holders  
45 of the bonds or notes.

1 Revised Law

2 Sec. 8104.316. LIMITATION ON RIGHT OF BOND OR NOTE HOLDERS.  
3 The purchasers and holders of any bonds or notes may not demand  
4 payment from revenues, receipts, or assets of the authority except  
5 those pledged to the payment of the bonds or notes. (Acts 63rd  
6 Leg., R.S., Ch. 600, Sec. 12, Subsec. P (part).)

7 Source Law

8 P. . . . the purchasers and holders of any bonds  
9 or notes shall never have the right to demand payment  
10 thereof from any revenues, receipts or assets of the  
11 authority except those pledged to the payment of bonds  
12 or notes. . . .

13 Revisor's Note  
14 (End of Subchapter)

15 (1) Subsection B, Section 12, Chapter 600, Acts  
16 of the 63rd Legislature, Regular Session, 1973,  
17 provides that a resolution authorizing the issuance of  
18 bonds or notes by the authority may specify the form  
19 and characteristics of the bonds or notes. The revised  
20 law omits the provision because it duplicates or is  
21 superseded by Sections 1201.021 and 1201.024,  
22 Government Code, which provide for the form and  
23 characteristics of a public security. The omitted law  
24 reads:

25 B. . . . Such bonds and notes shall  
26 have the form, characteristics and bear the  
27 designation; bear the date or dates;  
28 . . . bear interest at the rate or rates,  
29 . . . be in the denominations; be in the  
30 form, either coupon or registered; . . . be  
31 payable at the place or places within or  
32 without the state; and . . . all as  
33 provided in the resolution or resolutions  
34 authorizing such bonds and notes. . . .

35 (2) Subsection B, Section 12, Chapter 600, Acts  
36 of the 63rd Legislature, Regular Session, 1973,  
37 provides that the interest on the authority's bonds and  
38 notes is payable "annually, semi-annually, quarterly  
39 or otherwise" as provided by resolution of the  
40 authority. The relevant parts of Sections 1201.005  
41 and 1201.021, Government Code, enacted in 1981 as

1 Section 3, Bond Procedures Act of 1981 (Article  
2 717k-6, Vernon's Texas Civil Statutes), provide that a  
3 public security may be payable at the times and in the  
4 amounts specified by the governing body of the issuer.  
5 The later enactment of those provisions impliedly  
6 repealed the interest payment provision of Subsection  
7 B, Section 12. The omitted law reads:

8 B. . . . [Such bonds and notes shall]  
9 . . . [bear interest at the rate or rates,]  
10 payable annually, semi-annually, quarterly  
11 or otherwise; . . . .

12 (3) Subsection B, Section 12, Chapter 600, Acts  
13 of the 63rd Legislature, Regular Session, 1973,  
14 provides that bonds and notes issued under that  
15 chapter may be registered as to principal only or as to  
16 principal and interest. The revised law omits that  
17 provision because it duplicates Section 1201.024,  
18 Government Code. The omitted law reads:

19 B. . . . [Such bonds and notes shall]  
20 . . . carry the registration privileges as  
21 to principal only or as to both principal  
22 and interest and as to successive exchange  
23 of coupon for registered bonds or notes or  
24 vice versa, and successive exchange of  
25 bonds or notes of one denomination for bonds  
26 or notes of other denominations; . . . .

27 (4) Subsections B, C(2), and C(3), Section 12,  
28 Chapter 600, Acts of the 63rd Legislature, Regular  
29 Session, 1973, provide that a resolution that  
30 authorizes the issuance of bonds or notes may specify  
31 the manner of execution of the bonds or notes issued.  
32 The revised law omits those provisions as unnecessary.  
33 Section 1201.026, Government Code, enacted in 1981 as  
34 Section 3, Bond Procedures Act of 1981 (Article  
35 717k-6, Vernon's Texas Civil Statutes), provides for  
36 the execution of a public security. The later  
37 enactment of that provision impliedly repealed the  
38 execution provisions of Subsections B, C(2), and C(3),  
39 Section 12. The omitted law reads:



1           B. . . . [Such bonds and notes shall]  
2           . . . be executed in the manner; . . . [as  
3           provided in the resolution or resolutions  
4           authorizing such bonds and notes]. . .

5           C. . . .

6           (2) The resolution or  
7           resolutions authorizing the issuance of any  
8           installment or any series of bonds or notes  
9           may prescribe the extent to which the  
10          authority, in executing the bonds or notes  
11          and appurtenant coupons, may use facsimile  
12          signatures and facsimile seals instead of  
13          manual signatures and manually impressed  
14          seals.

15          (3) If any officer whose manual  
16          or facsimile signature appears on a bond or  
17          note or any coupon ceases to be an officer  
18          before the bond or note is delivered, the  
19          signature is valid and sufficient for all  
20          purposes as if he had remained in office  
21          until the delivery had been made.

22          (5) Subsection B, Section 12, Chapter 600, Acts  
23          of the 63rd Legislature, Regular Session, 1973,  
24          provides that bonds and notes may be sold at the price  
25          determined by authority resolution. The revised law  
26          omits this provision because it duplicates Section  
27          1204.006(b), Government Code. That section provides  
28          that an issuer may sell public securities at any price  
29          and applies to bonds and notes issued by the authority  
30          by application of Section 1204.001, Government Code.  
31          The omitted law reads:

32                B. . . . [Such bonds and notes shall]  
33                . . . be sold for the price or prices, . . .  
34                [as provided in the resolution or  
35                resolutions authorizing such bonds and  
36                notes]. . .

37          (6) Subsection B, Section 12, Chapter 600, Acts  
38          of the 63rd Legislature, Regular Session, 1973,  
39          provides that the authority may issue bonds or notes in  
40          one or more installments. The revised law omits that  
41          provision because it duplicates Section 1201.021,  
42          Government Code. The omitted law reads:

43                B. . . . Bonds or notes may be issued  
44                in one or more installments and from time to  
45                time as required. . . .

46          (7) Subsection D(2), Section 12, Chapter 600,  
47          Acts of the 63rd Legislature, Regular Session, 1973,  
48          provides that a pledge or security instrument made by

1 the authority is valid and binding from the time it is  
2 made, does not need to be recorded or filed, and  
3 subjects a pledged item received by the authority to  
4 the lien of the pledge or security instrument. It also  
5 provides that compliance with other law is not  
6 required to perfect the pledge or security interest.  
7 This provision is impliedly repealed by the later  
8 enactment of Section 1201.044, Government Code,  
9 enacted as Section 12, Bond Procedures Act of 1981  
10 (Article 717k-6, Vernon's Texas Civil Statutes). The  
11 omitted law reads:

12 (2) A pledge or security  
13 instrument made by the authority is valid  
14 and binding from the time when it is made.  
15 The revenues, receipts or assets so pledged  
16 and entrusted and thereafter received by  
17 the authority shall immediately be subject  
18 to the lien of the pledge or security  
19 instrument without any physical delivery or  
20 further act. . . . Neither the resolution  
21 nor any security instrument or other  
22 instrument by which a pledge or security  
23 interest is created need be recorded or  
24 filed, and compliance with any provision of  
25 any other law is not required in order to  
26 perfect the pledge or other security  
27 interest.

28 (8) Subsection J, Section 12, Chapter 600, Acts  
29 of the 63rd Legislature, Regular Session, 1973,  
30 requires the authority to deliver bonds or notes the  
31 authority authorizes to the attorney general for  
32 examination and approval. That requirement is omitted  
33 as superseded by Section 1202.003, Government Code,  
34 enacted in 1987 as Section 3.002(a), Chapter 53, Acts  
35 of the 70th Legislature, 2nd Called Session (Article  
36 717k-8, Vernon's Texas Civil Statutes). The omitted  
37 law reads:

38 J. After any bonds and notes,  
39 including refunding bonds and notes, are  
40 authorized by the authority, the bonds and  
41 notes and the record relating to their  
42 issuance shall be submitted to the Attorney  
43 General of Texas for his examination as to  
44 their validity. . . .

45 (9) Subsection J, Section 12, Chapter 600, Acts

1 of the 63rd Legislature, Regular Session, 1973,  
2 provides that after approval the bonds or notes shall  
3 be registered with the comptroller. The revised law  
4 omits that provision because it duplicates Section  
5 1202.005, Government Code. The omitted law reads:

6 J. . . . the bonds or notes shall be  
7 registered by the Comptroller of Public  
8 Accounts.

9 (10) Subsection K, Section 12, Chapter 600, Acts  
10 of the 63rd Legislature, Regular Session, 1973,  
11 provides that, after approval and registration, bonds  
12 or notes and certain underlying leases or contracts  
13 are incontestable. The revised law omits that  
14 provision because it duplicates a provision of Section  
15 1202.006, Government Code. The omitted law reads:

16 K. After the bonds or notes, and the  
17 leases or other contracts, if any are  
18 submitted, have been approved by the  
19 Attorney General, and the bonds and notes  
20 have been registered by the Comptroller of  
21 Public Accounts and delivered to the  
22 purchasers, the bonds and notes and any  
23 underlying leases and contracts shall be  
24 incontestable for any cause.

25 (11) Subsection M, Section 12, Chapter 600, Acts  
26 of the 63rd Legislature, Regular Session, 1973,  
27 provides that bonds issued under Chapter 600, Acts of  
28 the 63rd Legislature, Regular Session, 1973, are  
29 investment securities under Chapter 8, Business &  
30 Commerce Code. The revised law omits that provision  
31 because it duplicates a provision of Section 1201.041,  
32 Government Code. The omitted law reads:

33 M. Bonds issued under the provisions  
34 of this Act and coupons, if any,  
35 representing interest on them, shall when  
36 delivered be considered and construed to be  
37 a "security" within the meaning of Chapter  
38 8, Investment Securities, of the Uniform  
39 Commercial Code.

40 (12) Subsection P, Section 12, Chapter 600, Acts  
41 of the 63rd Legislature, Regular Session, 1973,  
42 provides that bonds or notes issued under the act are

1 not obligations of the state. The revised law omits  
2 the provision because it is substantively identical to  
3 Section 50, Article III, Texas Constitution. The  
4 policy of the legislative council's statutory revision  
5 program is to omit from the revised codes the  
6 duplicating statutory provisions because a statute  
7 that tracks the language of the constitution not only  
8 is superfluous but may foster the erroneous belief  
9 that a constitutional requirement is merely statutory  
10 and subject to amendment through the ordinary  
11 legislative process. The omitted statutory provision  
12 reads:

13 P. The provisions of this Act shall  
14 not be construed to authorize the giving or  
15 lending of the credit of the State or to be a  
16 pledge of the credit of the State for the  
17 payment of any bonds or notes issued under  
18 the provisions of this Act and . . . .

19 (13) Section 16, Chapter 600, Acts of the 63rd  
20 Legislature, Regular Session, 1973, lists certain  
21 entities for which bonds issued under that chapter are  
22 legal and authorized investments. The revised law  
23 omits this provision because it duplicates Section  
24 49.186, Water Code. The omitted law reads:

25 Sec. 16. All bonds and refunding  
26 bonds of the authority shall be and are  
27 hereby declared to be legal, eligible and  
28 authorized investments for banks, savings  
29 and loan associations, insurance companies,  
30 fiduciaries, trustees, and for the sinking  
31 funds of cities, towns, villages, counties,  
32 school districts or other political  
33 corporations or subdivisions of the State  
34 of Texas and for all public funds of the  
35 State of Texas or its agencies, including  
36 the State Permanent School Fund. . . .

37 (14) Section 16, Chapter 600, Acts of the 63rd  
38 Legislature, Regular Session, 1973, provides that  
39 bonds issued under that chapter may secure deposits of  
40 public funds of the state or political subdivisions.  
41 This provision is impliedly repealed by Section  
42 404.0221, Government Code (enacted in 1995), which

1 lists eligible collateral for the comptroller's  
2 deposits of state funds, and by Chapter 2257,  
3 Government Code (enacted in 1989 as Article 2529d,  
4 Vernon's Texas Civil Statutes), which governs eligible  
5 collateral for deposits of funds of other public  
6 agencies, including political subdivisions. The  
7 omitted law reads:

8           Sec. 16. . . . Such bonds and  
9           refunding bonds shall be eligible to secure  
10          the deposit of any and all public funds of  
11          the State of Texas, cities, towns,  
12          villages, counties, school districts or  
13          other political corporations or  
14          subdivisions of the State of Texas; and such  
15          bonds shall be lawful and sufficient  
16          security for said deposits to the extent of  
17          their face value, when accompanied by all  
18          unmatured coupons appurtenant thereto.

19                           Revisor's Note  
20                           (End of Chapter)

21           (1) Section 15, Chapter 600, Acts of the 63rd  
22          Legislature, Regular Session, 1973, refers to the  
23          establishment and maintenance of authority offices as  
24          provided by Section 54.110, Title 4, Water Code.  
25          Section 54.110 was repealed by Section 43, Chapter  
26          715, Acts of the 74th Legislature, Regular Session,  
27          1995. However, the substance of that provision is  
28          included in Section 49.062, Water Code, which the  
29          legislature passed in the same act that repealed  
30          Section 54.110. The omitted law reads:

31           Sec. 15. The board of directors shall  
32           designate, establish and maintain an office  
33           or offices of the authority as provided by  
34           Section 54.110, Title 4, Water Code.

35           (2) Section 17, Chapter 600, Acts of the 63rd  
36          Legislature, Regular Session, 1973, contains  
37          legislative findings relating to the performance of  
38          certain requirements under Section 59(d), Article XVI,  
39          Texas Constitution, and to the authority of the  
40          legislature to enact this act. The revised law omits  
41          Section 17 as executed. The omitted law reads:

1           Sec. 17. The Legislature specifically  
2 finds and declares that the requirements of  
3 Article XVI, Section 59(d), Constitution of  
4 Texas, have been done and accomplished in  
5 due course and time, and in due order, and  
6 that the Legislature has the power and  
7 authority to enact this Act.

8           (3) Section 18, Chapter 600, Acts of the 63rd  
9 Legislature, Regular Session, 1973, provides that the  
10 act is severable. The revised law omits that provision  
11 because it duplicates Section 311.032, Government Code  
12 (Code Construction Act), applicable to the revised  
13 law, which provides that a provision of a statute is  
14 severable from each other provision of the statute  
15 that can be given effect. The omitted law reads:

16           Sec. 18. If any word, phrase, clause,  
17 paragraph, sentence, part, portion or  
18 provision of this Act or the application  
19 thereof to any person or circumstance shall  
20 be held to be invalid or unconstitutional,  
21 the remainder of this Act shall  
22 nevertheless be valid and the Legislature  
23 hereby declares that this Act would have  
24 been enacted without such invalid or  
25 unconstitutional word, phrase, clause,  
26 paragraph, sentence, part, portion or  
27 provision. All of the terms and provisions  
28 of this Act are to be liberally construed to  
29 effectuate the purposes, powers, rights,  
30 functions and authorities herein set forth.

31           CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

32                   SUBCHAPTER A. GENERAL PROVISIONS

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37           [Sections 8105.005-8105.050 reserved for expansion]

38                   SUBCHAPTER B. BOARD OF DIRECTORS

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41           [Sections 8105.053-8105.100 reserved for expansion]

42                   SUBCHAPTER C. POWERS AND DUTIES

43   Sec. 8105.101.   GENERAL RIGHTS, POWERS, PRIVILEGES,  
44                   FUNCTIONS, AND DUTIES   . . . . . 802

1 CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 8105.001. DEFINITION. In this chapter, "district"  
5 means the Beach Road Municipal Utility District. (Acts 73rd Leg.,  
6 R.S., Ch. 959, Sec. 2.)

7 Source Law

8 Sec. 2. In this Act, "district" means the Beach  
9 Road Municipal Utility District.

10 Revised Law

11 Sec. 8105.002. NATURE OF DISTRICT. The district is a  
12 conservation and reclamation district in Matagorda County created  
13 under Section 59, Article XVI, Texas Constitution. (Acts 73rd  
14 Leg., R.S., Ch. 959, Secs. 1(a), (b) (part).)

15 Source Law

16 Sec. 1. (a) A conservation and reclamation  
17 district, to be known as the Beach Road Municipal  
18 Utility District, is created in Matagorda County,  
19 subject to approval at a confirmation election under  
20 Section 9 of this Act. The district is a governmental  
21 agency and a body politic and corporate.

22 (b) The district is created under and . . .  
23 Article XVI, Section 59, of the Texas Constitution.

24 Revisor's Note

25 (1) Section 1, Chapter 959, Acts of the 73rd  
26 Legislature, Regular Session, 1993, provides that the  
27 Beach Road Municipal Utility District is created  
28 "subject to approval at a confirmation election under  
29 Section 9 of this Act." The revised law omits the  
30 quoted language as executed.

31 (2) Section 1, Chapter 959, Acts of the 73rd  
32 Legislature, Regular Session, 1993, declares that  
33 "[t]he district is a governmental agency and a body  
34 politic and corporate." The revised law omits the  
35 quoted language because it duplicates Section 59(b),  
36 Article XVI, Texas Constitution, which provides that a  
37 conservation and reclamation district is a  
38 governmental agency and a body politic and corporate.

1 The policy of the legislative council's statutory  
2 revision program is to omit from the revised codes the  
3 duplicating statutory provisions because a statute  
4 that tracks the language of the constitution not only  
5 is superfluous but may foster the erroneous belief  
6 that a constitutional requirement is merely statutory  
7 and subject to amendment through the ordinary  
8 legislative process.

9 Revised Law

10 Sec. 8105.003. LEGISLATIVE FINDINGS. (a) The district:

11 (1) is essential to accomplish the purposes of Section  
12 59, Article XVI, Texas Constitution; and

13 (2) is created to serve a public use and benefit.

14 (b) All land and other property included in the district  
15 will benefit from the works and projects to be accomplished by the  
16 district under powers conferred by Section 59, Article XVI, Texas  
17 Constitution. (Acts 73rd Leg., R.S., Ch. 959, Secs. 1(b) (part),  
18 5.)

19 Source Law

20 (b) The district . . . is essential to  
21 accomplish the purposes of Article XVI, Section 59, of  
22 the Texas Constitution.

23 Sec. 5. All of the land and other property  
24 included within the boundaries of the district will be  
25 benefited by the works and projects that are to be  
26 accomplished by the district under powers conferred by  
27 Article XVI, Section 59, of the Texas Constitution.  
28 The district is created to serve a public use and  
29 benefit.

30 Revised Law

31 Sec. 8105.004. DISTRICT TERRITORY. (a) The district is  
32 composed of the territory described by Section 3, Chapter 959, Acts  
33 of the 73rd Legislature, Regular Session, 1993, as that territory  
34 may have been modified under:

35 (1) Subchapter H, Chapter 54, Water Code, before  
36 September 1, 1995;

37 (2) Subchapter J, Chapter 49, Water Code; or

38 (3) other law.



1 (b) The boundaries and field notes contained in Section 3,  
2 Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993,  
3 form a closure. A mistake made in the field notes or in copying the  
4 field notes in the legislative process does not affect:

5 (1) the organization, existence, or validity of the  
6 district;

7 (2) the right of the district to impose taxes; or

8 (3) the legality or operation of the district or its  
9 governing body. (Acts 73rd Leg., R.S., Ch. 959, Sec. 4; New.)

10 Source Law

11 Sec. 4. The legislature finds that the  
12 boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying  
14 the field notes in the legislative process does not  
15 affect the organization, existence, or validity of the  
16 district, the right of the district to levy and collect  
17 taxes, or the legality or operation of the district or  
18 its governing body.

19 Revisor's Note

20 (1) Section 4, Chapter 959, Acts of the 73rd  
21 Legislature, Regular Session, 1993, refers to the  
22 district's authority to "levy and collect" taxes. The  
23 revised law substitutes "impose" for "levy and  
24 collect" because "impose" is the term generally used  
25 in Title 1, Tax Code, and includes the levy and  
26 collection of a tax.

27 (2) The revision of the law governing the Beach  
28 Road Municipal Utility District does not revise the  
29 statutory language describing the territory of the  
30 district to avoid the lengthy recitation of the  
31 description and because that description may not be  
32 accurate on the effective date of the revision or at  
33 the time of a later reading. For the reader's  
34 convenience, the revised law includes references to  
35 the statutory description of the district's territory  
36 and to the authority to change the district's territory  
37 under Subchapter H, Chapter 54, Water Code, applicable  
38 to municipal utility districts, and under Subchapter

1 J, Chapter 49, Water Code, applicable to the district  
2 under Sections 49.001 and 49.002 of that chapter. The  
3 revised law also includes a reference to the general  
4 authority of the legislature to enact a law to change  
5 the district's territory.

6 [Sections 8105.005-8105.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Revised Law

9 Sec. 8105.051. DIRECTORS. (a) The district is governed by  
10 a board of five directors.

11 (b) Directors serve staggered four-year terms.

12 (c) A director must qualify to serve as director in the  
13 manner provided by Section 49.055, Water Code. (Acts 73rd Leg.,  
14 R.S., Ch. 959, Secs. 7(a), (d), (e).)

15 Source Law

16 Sec. 7. (a) The district is governed by a board  
17 of five directors.

18 (d) Permanent directors other than initial  
19 permanent directors serve staggered four-year terms.

20 (e) Each director must qualify to serve as  
21 director in the manner provided by Section 54.025 or  
22 54.116, Water Code, as appropriate.

23 Revisor's Note

24 (1) Section 7(d), Chapter 959, Acts of the 73rd  
25 Legislature, Regular Session, 1993, refers to  
26 "[p]ermanent directors other than initial permanent  
27 directors." The revised law omits "permanent" and  
28 "other than initial permanent directors" as  
29 unnecessary because, as used in the revised law,  
30 "director" refers to a permanent director other than  
31 an initial permanent director.

32 (2) Section 7(e), Chapter 959, Acts of the 73rd  
33 Legislature, Regular Session, 1993, requires a  
34 director to qualify to serve in the manner provided by  
35 Section 54.025 or 54.116, Water Code. The revised law  
36 omits the reference to Section 54.025, Water Code, as  
37 executed, because that section refers to the

1 qualification of a temporary director. For the  
2 convenience of the reader, the revised law substitutes  
3 a reference to Section 49.055, Water Code, which  
4 contains the qualification requirements of a director  
5 of a municipal utility district, for the reference to  
6 Section 54.116, Water Code. Chapter 715, Acts of the  
7 74th Legislature, Regular Session, 1995, repealed most  
8 of the provisions of Chapter 54, Water Code,  
9 pertaining to the board of directors of a municipal  
10 utility district, including Section 54.116, and  
11 enacted Chapter 49, Water Code, which contains  
12 provisions governing the boards of directors of  
13 municipal utility districts and certain other  
14 districts.

15 (3) Sections 7(b) and (c), Chapter 959, Acts of  
16 the 73rd Legislature, Regular Session, 1993, refer to  
17 the temporary directors and the initial permanent  
18 directors. The revised law omits as executed the  
19 references to temporary directors and initial  
20 permanent directors. The omitted law reads:

21 (b) Temporary directors serve until  
22 initial permanent directors are elected  
23 under Section 9.

24 (c) Initial permanent directors  
25 serve until permanent directors are elected  
26 under Section 10.

27 (4) Section 7(f), Chapter 959, Acts of the 73rd  
28 Legislature, Regular Session, 1993, provides that a  
29 director serves until the successor has qualified.  
30 The revised law omits the provision as unnecessary  
31 because it duplicates Section 17, Article XVI, Texas  
32 Constitution. That section provides that an officer  
33 in this state is to continue to perform the officer's  
34 duties until the successor has qualified. The omitted  
35 law reads:

36 (f) A director serves until the  
37 director's successor has qualified.

1 Revised Law

2 Sec. 8105.052. ELECTION OF DIRECTORS. On the first  
3 Saturday in May of every even-numbered year, the district shall  
4 hold an election in the district to elect the appropriate number of  
5 directors. (Acts 73rd Leg., R.S., Ch. 959, Sec. 10.)

6 Source Law

7 Sec. 10. On the first Saturday in May of the  
8 second year after the year in which the confirmation  
9 election is held, an election shall be held in the  
10 district for the election of two directors who shall  
11 each serve two-year terms and three directors who  
12 shall each serve four-year terms. Thereafter, on the  
13 same date in each subsequent second year, the  
14 appropriate number of directors shall be elected to  
15 the board.

16 Revisor's Note

17 (1) Section 10, Chapter 959, Acts of the 73rd  
18 Legislature, Regular Session, 1993, provides that the  
19 district shall hold a directors' election on the first  
20 Saturday in May of "[every] second year after the year  
21 in which the confirmation election is held." The  
22 revised law substitutes "every even-numbered year" for  
23 the quoted language because the quoted language is  
24 superseded by the 1995 enactment of Section 49.103,  
25 Water Code, applicable to the district under Sections  
26 49.001(a), 49.002, and 49.103(e), Water Code. Section  
27 49.103 requires the election of directors to be held in  
28 even-numbered years.

29 (2) Section 10, Chapter 959, Acts of the 73rd  
30 Legislature, Regular Session, 1993, provides that on  
31 the first Saturday in May of the second year after the  
32 year in which the confirmation election is held, the  
33 district shall hold an election to elect "two  
34 directors who shall each serve two-year terms and  
35 three directors who shall each serve four-year terms."  
36 The revised law omits the reference to the first  
37 directors elected after the confirmation election as  
38 executed.

1 Revisor's Note  
2 (End of Subchapter)

3 (1) Section 8, Chapter 959, Acts of the 73rd  
4 Legislature, Regular Session, 1993, names and provides  
5 for the qualification of and for filling vacancies on  
6 the temporary board of directors. The revised law  
7 omits that section as executed. The omitted law reads:

8 Sec. 8. (a) The temporary board of  
9 directors is composed of:

- 10 (1) Charles Booth;  
11 (2) Ben Chupick;  
12 (3) Dr. Kenneth Culberth;  
13 (4) James Gann; and  
14 (5) John Rawlings.

15 (b) If a temporary director fails to  
16 qualify for office, the temporary directors  
17 who have qualified shall appoint a person to  
18 fill the vacancy. If at any time there are  
19 fewer than three qualified temporary  
20 directors, the Texas Water Commission shall  
21 appoint the necessary number of persons to  
22 fill all vacancies on the board.

23 (2) Section 9, Chapter 959, Acts of the 73rd  
24 Legislature, Regular Session, 1993, provides for an  
25 election to confirm the creation of the district and to  
26 elect initial directors. The revised law omits that  
27 section as executed. The omitted law reads:

28 Sec. 9. (a) The temporary board of  
29 directors shall call and hold an election to  
30 confirm establishment of the district and  
31 to elect five initial directors as provided  
32 by Chapter 54, Water Code.

33 (b) Section 41.001(a), Election  
34 Code, does not apply to a confirmation  
35 election held as provided by this section.

36 [Sections 8105.053-8105.100 reserved for expansion]

37 SUBCHAPTER C. POWERS AND DUTIES

38 Revised Law

39 Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES,  
40 FUNCTIONS, AND DUTIES. (a) The district has the rights, powers,  
41 privileges, functions, and duties provided by general law,  
42 including Chapters 49, 50, and 54, Water Code, applicable to a  
43 municipal utility district created under Section 59, Article XVI,  
44 Texas Constitution.

45 (b) The rights, powers, privileges, functions, and duties

1 of the district are subject to the continuing right of supervision  
2 by this state exercised by and through the Texas Commission on  
3 Environmental Quality. (Acts 73rd Leg., R.S., Ch. 959, Sec. 6;  
4 New.)

#### 5 Source Law

6 Sec. 6. (a) The district has all of the rights,  
7 powers, privileges, authority, functions, and duties  
8 provided by the general law of this state, including  
9 Chapters 50 and 54, Water Code, applicable to  
10 municipal utility districts created under Article XVI,  
11 Section 59, of the Texas Constitution. This Act  
12 prevails over any provision of general law that is in  
13 conflict or inconsistent with this Act.

14 (b) The rights, powers, privileges, authority,  
15 functions, and duties of the district are subject to  
16 the continuing right of supervision of the state to be  
17 exercised by and through the Texas Water Commission.

#### 18 Revisor's Note

19 (1) Section 6, Chapter 959, Acts of the 73rd  
20 Legislature, Regular Session, 1993, refers to the  
21 "powers" and "authority" of the district. The revised  
22 law omits the references to "authority" because  
23 "authority" is included in the meaning of "powers."

24 (2) Section 6, Chapter 959, Acts of the 73rd  
25 Legislature, Regular Session, 1993, provides that the  
26 district has the rights, powers, privileges,  
27 functions, and duties provided by general law,  
28 "including Chapters 50 and 54, Water Code, applicable  
29 to municipal utility districts." For the reader's  
30 convenience, the revised law adds a reference to  
31 Chapter 49, Water Code. Chapter 715, Acts of the 74th  
32 Legislature, Regular Session, 1995, repealed most of  
33 the provisions of Chapter 50, Water Code, and enacted  
34 Chapter 49, Water Code. Chapter 49, Water Code,  
35 applies to municipal utility districts and certain  
36 other districts, and contains many provisions similar  
37 to the repealed provisions of Chapter 50, Water Code.

38 (3) Section 6, Chapter 959, Acts of the 73rd  
39 Legislature, Regular Session, 1993, provides that  
40 "[t]his Act prevails over any provision of general law

1 that is in conflict or inconsistent with this Act."  
2 The revised law omits the quoted provision because,  
3 under general rules of statutory construction, a  
4 statute automatically has the effect of repealing  
5 prior conflicting enactments and is ineffective to  
6 repeal subsequent legislation. Furthermore, Section  
7 311.026, Government Code (Code Construction Act),  
8 provides that if there is a conflict between a general  
9 provision of law and a special provision, the special  
10 provision prevails unless the general provision is the  
11 later enactment and the manifest intent is that the  
12 general provision prevail.

13 (4) Section 6, Chapter 959, Acts of the 73rd  
14 Legislature, Regular Session, 1993, refers to the  
15 continuing supervision exercised by the "Texas Water  
16 Commission." The revised law substitutes "Texas  
17 Commission on Environmental Quality" for "Texas Water  
18 Commission." The name of the Texas Water Commission  
19 was changed to the Texas Natural Resource Conservation  
20 Commission by Section 1.085, Chapter 3, Acts of the  
21 72nd Legislature, 1st Called Session, 1991. In 2004,  
22 the name of the Texas Natural Resource Conservation  
23 Commission was changed by Section 18.01, Chapter 965,  
24 Acts of the 77th Legislature, Regular Session, 2001,  
25 to the Texas Commission on Environmental Quality.

26 Revisor's Note  
27 (End of Chapter)

28 Section 11, Chapter 959, Acts of the 73rd  
29 Legislature, Regular Session, 1993, states that the  
30 notice, introduction, and passage of the act satisfied  
31 the requirements of the Texas Constitution, other laws  
32 of this state, and rules and procedures of the  
33 legislature. Section 11 also provides that the Texas  
34 Water Commission filed recommendations relating to the  
35 act. The revised law omits these provisions as

1           executed. The omitted law reads:

2                       Sec. 11. (a) The proper and legal  
3 notice of the intention to introduce this  
4 Act, setting forth the general substance of  
5 this Act, has been published as provided by  
6 law, and the notice and a copy of this Act  
7 have been furnished to all persons,  
8 agencies, officials, or entities to which  
9 they are required to be furnished by the  
10 constitution and other laws of this state,  
11 including the governor, who has submitted  
12 the notice and Act to the Texas Water  
13 Commission.

14                       (b) The Texas Water Commission has  
15 filed its recommendations relating to this  
16 Act with the governor, lieutenant governor,  
17 and speaker of the house of representatives  
18 within the required time.

19                       (c) All requirements of the  
20 constitution and laws of this state and the  
21 rules and procedures of the legislature  
22 with respect to the notice, introduction,  
23 and passage of this Act are fulfilled and  
24 accomplished.

25                       CHAPTER 8106. BAMMEL UTILITY DISTRICT

26                               SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8106.001. DEFINITIONS . . . . . 806  
28 Sec. 8106.002. NATURE OF DISTRICT . . . . . 806  
29 Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE . . . . . 808  
30 Sec. 8106.004. DISTRICT TERRITORY . . . . . 809  
31 Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED . . . . . 811

32                       [Sections 8106.006-8106.050 reserved for expansion]

33                               SUBCHAPTER B. DISTRICT ADMINISTRATION

34 Sec. 8106.051. COMPOSITION OF BOARD . . . . . 813  
35 Sec. 8106.052. DIRECTOR'S BOND . . . . . 814  
36 Sec. 8106.053. BOARD VACANCY . . . . . 815  
37 Sec. 8106.054. DISTRICT OFFICE . . . . . 816  
38 Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING . . . . . 818

39                       [Sections 8106.056-8106.100 reserved for expansion]

40                               SUBCHAPTER C. POWERS AND DUTIES

41 Sec. 8106.101. GENERAL POWERS AND DUTIES . . . . . 820  
42 Sec. 8106.102. ADDITIONAL POWERS AND DUTIES . . . . . 823  
43 Sec. 8106.103. EMINENT DOMAIN . . . . . 825  
44 Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY . . . . . 825



1 Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER,  
2 OR DRAINAGE SERVICES; ELECTION NOT  
3 REQUIRED . . . . . 826  
4 Sec. 8106.106. NOTICE OF ELECTION . . . . . 827  
5 Sec. 8106.107. DISTRICT RULES . . . . . 827  
6 [Sections 8106.108-8106.150 reserved for expansion]  
7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
8 Sec. 8106.151. TAX METHOD . . . . . 828  
9 Sec. 8106.152. DISTRICT ACCOUNTS . . . . . 828  
10 Sec. 8106.153. COPY OF AUDIT REPORT . . . . . 828  
11 Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT  
12 REQUIRED . . . . . 831  
13 Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY . . . . . 831

14 CHAPTER 8106. BAMMEL UTILITY DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 8106.001. DEFINITIONS. In this chapter:

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

20 (2) "District" means the Bammel Utility District.  
21 (V.A.C.S. Art. 8280-438, Sec. 1 (part); New.)

22 Source Law

23 Sec. 1. . . . to be known as "Bammel Utility  
24 District," hereinafter called the "district," . . . .

25 Revisor's Note

26 The definition of "board" is added to the revised  
27 law for drafting convenience and to eliminate  
28 frequent, unnecessary repetition of the substance of  
29 the definition.

30 Revised Law

31 Sec. 8106.002. NATURE OF DISTRICT. The district is a  
32 municipal utility district and a conservation and reclamation  
33 district in Harris County, created under Section 59, Article XVI,  
34 Texas Constitution. (V.A.C.S. Art. 8280-438, Sec. 1 (part); New.)

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Source Law

Sec. 1. Under and pursuant to the provisions of Article XVI, Section 59, Constitution of Texas, a conservation and reclamation district is hereby created and established in Harris County, Texas, . . . which shall be a governmental agency and a body politic and corporate. . . .

Revisor's Note

(1) Section 1, V.A.C.S. Article 8280-438, provides that the district is "created and established" in Harris County, Texas. The revised law omits "established" because the meaning of that word is included in the meaning of "created."

(2) Section 1, V.A.C.S. Article 8280-438, refers to the district as "a governmental agency and a body politic and corporate." The revised law omits the quoted language because it duplicates Section 59(b), Article XVI, Texas Constitution, which provides that a conservation and reclamation district is a governmental agency and a body politic and corporate. The policy of the legislative council's statutory revision program is to omit from the revised codes the duplicating statutory provisions because a statute that tracks the language of the constitution not only is superfluous but may foster the erroneous belief that a constitutional requirement is merely statutory and subject to amendment through the ordinary legislative process.

(3) The revised law adds a reference to the district as a "municipal utility district" because the district was converted from a water control and improvement district to a municipal utility district on September 11, 1978, by order of the Texas Water Commission (a predecessor agency to the Texas Commission on Environmental Quality). See Sections 54.030-54.036, Water Code. That order expressly states that the district does not "retain any of the

1 provisions of the code under which it has been  
2 operating" (Chapter 51, Water Code). Under both that  
3 order and Section 54.034, Water Code, the district now  
4 operates under Chapter 54, Water Code. Throughout  
5 this chapter, references to water control and  
6 improvement districts and references to Chapter 51,  
7 Water Code (the chapter on water control and  
8 improvement districts), have been revised to reflect  
9 the district's conversion.

10 Revised Law

11 Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a)

12 The legislature finds that:

13 (1) the district is created to serve a public use and  
14 benefit; and

15 (2) all land and other property included in the  
16 boundaries of the district will benefit from the works and projects  
17 accomplished by the district under the powers conferred by Section  
18 59, Article XVI, Texas Constitution.

19 (b) The creation of the district is essential to accomplish  
20 the purposes of Section 59, Article XVI, Texas Constitution.

21 (c) The accomplishment of the purposes stated in this  
22 chapter is for the benefit of the people of this state and for the  
23 improvement of their properties and industries. The district in  
24 carrying out the purposes of this chapter will be performing an  
25 essential public function under the Texas Constitution. (V.A.C.S.  
26 Art. 8280-438, Secs. 1 (part), 4, 24 (part).)

27 Source Law

28 Sec. 1. . . . The creation and establishment of  
29 the district is hereby declared to be essential to the  
30 accomplishment of the purposes of Article XVI, Section  
31 59, Constitution of Texas.

32 Sec. 4. It is determined and found that all of  
33 the land and other property included within the area  
34 and boundaries of the district will be benefited by the  
35 works and project which are to be accomplished by the  
36 district pursuant to the powers conferred by the  
37 provisions of Article XVI, Section 59, Constitution of  
38 Texas, and that said district was and is created to  
39 serve a public use and benefit.

1           Sec. 24. The accomplishment of the purposes  
2 stated in this Act being for the benefit of the people  
3 of this state and for the improvement of their  
4 properties and industries, the district in carrying  
5 out the purposes of this Act will be performing an  
6 essential public function under the Constitution, and  
7 . . . .

8   Revisor's Note

9           (1) Section 1, V.A.C.S. Article 8280-438,  
10 states that the "creation and establishment" of the  
11 district is essential to accomplish the purposes of  
12 Section 59, Article XVI, Texas Constitution. The  
13 revised law omits "establishment" because its meaning  
14 is included in the meaning of "creation."

15           (2) Section 4, V.A.C.S. Article 8280-438,  
16 refers to land and other property included within the  
17 "area and boundaries of the district." The revised law  
18 omits the reference to "area" because, in context,  
19 "area" is included in the meaning of "boundaries."

20   Revised Law

21           Sec. 8106.004. DISTRICT TERRITORY. (a) The district is  
22 composed of the territory described by Section 2, Chapter 357, Acts  
23 of the 61st Legislature, Regular Session, 1969 (Article 8280-438,  
24 Vernon's Texas Civil Statutes), as that territory may have been  
25 modified under:

26           (1) Subchapter O, Chapter 51, Water Code, before  
27 September 11, 1978;

28           (2) Subchapter H, Chapter 54, Water Code;

29           (3) Subchapter J, Chapter 49, Water Code;

30           (4) this chapter; or

31           (5) other law.

32           (b) The boundaries and field notes of the district contained  
33 in Section 2, Chapter 357, Acts of the 61st Legislature, Regular  
34 Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes),  
35 form a closure. If a mistake is made in the field notes or in  
36 copying the field notes in the legislative process, the mistake  
37 does not affect:

38           (1) the district's organization, existence, and

1 validity;

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

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or the  
7 board. (V.A.C.S. Art. 8280-438, Sec. 3; New.)

8 Source Law

9 Sec. 3. It is determined and found that the  
10 boundaries and field notes of the district form a  
11 closure; and if any mistake is made in copying the  
12 field notes in the legislative process, or otherwise a  
13 mistake is made in the field notes, it shall in no way  
14 affect the organization, existence, and validity of  
15 the district, or the right of the district to issue any  
16 type of bonds or refunding bonds for the purposes for  
17 which the district is created, or to pay the principal  
18 and interest thereon, or the right to assess, levy, and  
19 collect taxes, or in any other manner affect the  
20 legality or operation of the district or its governing  
21 body.

22 Revisor's Note

23 (1) The revision of the law governing the Bammel  
24 Utility District does not revise the statutory  
25 language describing the territory of the district to  
26 avoid the lengthy recitation of the description and  
27 because that description may not be accurate on the  
28 effective date of the revision or at the time of a  
29 later reading. For the reader's convenience, the  
30 revised law includes a reference to the statutory  
31 description of the district's territory and references  
32 to statutory authority to change the district's  
33 territory, including: (1) Subchapter O, Chapter 51,  
34 Water Code, which was applicable to the district under  
35 Section 51.001 of that code until September 11, 1978,  
36 when the district by order of the Texas Water  
37 Commission was converted to a municipal utility  
38 district governed by Chapter 54, Water Code (see  
39 Sections 54.030-54.036 of that code and Revisor's Note  
40 (3) to Section 8106.002); (2) Subchapter H, Chapter

1 54, Water Code, applicable to the district under  
2 Section 54.001 of that code after the conversion; and  
3 (3) Subchapter J, Chapter 49, Water Code, applicable  
4 to the district under Sections 49.001 and 49.002 of  
5 that code. The revised law also includes references to  
6 the authority of the district under this chapter to add  
7 or exclude land from the district and the general  
8 authority of the legislature to enact other law to  
9 change the district's territory.

10 (2) Section 3, V.A.C.S. Article 8280-438,  
11 provides that a mistake does not affect the right of  
12 the district to issue "any type of bonds or refunding  
13 bonds." The revised law omits the reference to  
14 "refunding bonds" because refunding bonds are included  
15 in the meaning of "any type of bonds."

16 (3) Section 3, V.A.C.S. Article 8280-438,  
17 refers to the district's right to "assess, levy, and  
18 collect" a tax. Throughout this chapter, the revised  
19 law substitutes "impose" for "levy" or "assess, levy,  
20 and collect" because "impose" is the term generally  
21 used in Title 1, Tax Code, and includes the assessment,  
22 levying, or collection of a tax.

23 Revised Law

24 Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED. It is  
25 not necessary for the board to call or hold a confirmation election  
26 to confirm the district's creation. (V.A.C.S. Art. 8280-438, Sec.  
27 6.)

28 Source Law

29 Sec. 6. It shall not be necessary for the board  
30 of directors to call or hold a confirmation election  
31 for the confirmation of the district.

32 Revisor's Note  
33 (End of Subchapter)

34 (1) Section 5, V.A.C.S. Article 8280-438,  
35 provides that the act controls over any general law in  
36 conflict or inconsistent with the act. The revised law

1 omits this provision because it duplicates, in  
2 substance, Section 311.026, Government Code (Code  
3 Construction Act), applicable to the revised law. The  
4 omitted law reads:

5           Sec. 5. [The district shall have and  
6 exercise, and is hereby vested with, all of  
7 the rights, powers, privileges, authority,  
8 and functions conferred and imposed by the  
9 general laws of this state now in force or  
10 hereafter enacted, applicable to water  
11 control and improvement districts created  
12 under authority of Article XVI, Section 59,  
13 Constitution of Texas, including without  
14 limitation those conferred by Chapter 3A,  
15 Title 128 (Vernon's Texas Civil Statutes);]  
16 but to the extent that the provisions of any  
17 such general laws may be in conflict or  
18 inconsistent with the provisions of this  
19 Act, the provisions of this Act shall  
20 prevail. . . .

21           (2) Section 5, V.A.C.S. Article 8280-438,  
22 provides that any general law relating to water  
23 control and improvement districts is adopted and  
24 incorporated by reference. The revised law omits the  
25 provision because the district is no longer a water  
26 control and improvement district. See Revisor's Note  
27 (3) to Section 8106.002. Further, it is not necessary  
28 to duplicate the substance of general laws applicable  
29 to the district by means of adoption and  
30 incorporation. The omitted law reads:

31           Sec. 5. . . . All such general laws  
32 are hereby adopted and incorporated by  
33 reference with the same effect as if  
34 incorporated in full in this Act. . . .

35           (3) Section 22, V.A.C.S. Article 8280-438,  
36 provides that the district is subject to certain other  
37 laws. The revised law omits this provision because the  
38 laws cited apply by their own terms. Section 22 refers  
39 to Article 970a, Vernon's Texas Civil Statutes  
40 (Municipal Annexation Act). Article 970a was codified  
41 by Chapter 149, Acts of the 70th Legislature, Regular  
42 Session, 1987, as Chapters 42 and 43, Local Government  
43 Code, and Section 212.003, Local Government Code.

1 Section 22 refers to Article 1182c-1, Vernon's Texas  
2 Civil Statutes. Article 1182c-1 was codified by  
3 Chapter 149, Acts of the 70th Legislature, Regular  
4 Session, 1987, as Sections 43.074, 43.075, and 43.081,  
5 Local Government Code. The omitted law reads:

6 Sec. 22. . . . In all other  
7 respects, the district hereby created is  
8 expressly made subject to all provisions of  
9 said Article 970a. District shall also be  
10 subject to the provisions of Article  
11 1182c-1 (Vernon's Texas Civil Statutes), as  
12 amended.

13 (4) The revised law omits as executed the  
14 portion of Section 22, V.A.C.S. Article 8280-438, that  
15 states that Article 970a, Vernon's Texas Civil  
16 Statutes (Municipal Annexation Act), does not apply to  
17 the creation of the district. The omitted law reads:

18 Sec. 22. This district is hereby  
19 created notwithstanding any of the  
20 provisions of the Municipal Annexation Act,  
21 being Article 970a (Vernon's Texas Civil  
22 Statutes), as amended, and to the extent of  
23 the creation of the district only, said  
24 Article 970a shall have no  
25 application. . . .

26 [Sections 8106.006-8106.050 reserved for expansion]

27 SUBCHAPTER B. DISTRICT ADMINISTRATION

28 Revised Law

29 Sec. 8106.051. COMPOSITION OF BOARD. The board consists of  
30 five directors. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

31 Source Law

32 Sec. 10. All powers of the district shall be  
33 exercised by a board of five directors. . . .

34 Revisor's Note

35 Section 10, V.A.C.S. Article 8280-438, provides  
36 that "[a]ll powers of the district shall be exercised  
37 by" the board. The revised law omits the quoted  
38 language because it duplicates, in substance,  
39 provisions of Sections 49.051 and 49.057, Water Code.  
40 Throughout this chapter, the revised law omits law  
41 that is superseded by Chapter 49, Water Code, or that



1 duplicates law contained in that chapter. Chapter 49,  
2 Water Code, applies to the district under Sections  
3 49.001 and 49.002, Water Code.

4 Revised Law

5 Sec. 8106.052. DIRECTOR'S BOND. (a) Each director shall  
6 execute a bond in the amount of \$5,000 for the faithful performance  
7 of the director's duties.

8 (b) The bond must be recorded in a record book kept for that  
9 purpose in the district office. (V.A.C.S. Art. 8280-438, Sec. 10  
10 (part).)

11 Source Law

12 Sec. 10. . . . Each director shall qualify by  
13 subscribing to the constitutional oath of office and  
14 giving bond in the amount of \$5,000 for the faithful  
15 performance of his duties. The cost of such bond shall  
16 be paid by the district. . . . and shall be recorded  
17 in a record book kept for that purpose in the office of  
18 the district. . . .

19 Revisor's Note

20 (1) Section 10, V.A.C.S. Article 8280-438,  
21 requires each member of the board of directors to take  
22 the constitutional oath of office. The revised law  
23 omits this provision because Section 1, Article XVI,  
24 Texas Constitution, requires all officers to take the  
25 oath before assuming office.

26 (2) Section 10, V.A.C.S. Article 8280-438,  
27 provides that the district shall pay the cost of a  
28 director's bond. The revised law omits this provision  
29 because it duplicates, in substance, Section  
30 49.055(c), Water Code.

31 (3) Section 10, V.A.C.S. Article 8280-438,  
32 provides that "[s]uch bonds," meaning directors'  
33 bonds, are to be "approved by the county judge and  
34 filed" in a county clerk's office. The revised law  
35 omits the provision as executed. Read in context of  
36 Section 10, "such bonds" are the bonds of the  
37 "directors named below," meaning the district's

1 initial directors, and the section requires different  
2 approval and recording of the bonds of later  
3 directors, i.e., approval of the board of directors  
4 and recording in a book kept by the district. The  
5 revised law also omits the reference to the approval of  
6 the board of directors because it duplicates Section  
7 49.055(c), Water Code, which requires such bonds to be  
8 approved by the district's board of directors. The  
9 omitted law reads:

10           Sec. 10. . . . Such bonds shall be  
11 approved by the county judge and filed in  
12 the office of the county clerk of the county  
13 or counties within which district is  
14 located. The bonds of directors elected or  
15 appointed after the directors named below  
16 shall be approved by the district's board of  
17 directors . . . .

18                           Revised Law

19           Sec. 8106.053. BOARD VACANCY. (a) Except as provided by  
20 Subsection (b), a vacancy in the office of director shall be filled  
21 in the manner provided by Section 49.105, Water Code.

22           (b) The county judge of the county in which the district is  
23 located shall appoint directors to fill all of the vacancies on the  
24 board whenever the number of qualified directors is fewer than  
25 three. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

26                           Source Law

27           Sec. 10. . . . All vacancies in the office of  
28 director shall be filled in the manner provided by  
29 Article 7880-38 (Vernon's Texas Civil Statutes);  
30 provided, however, that if at any time the number of  
31 qualified directors shall be less than three because  
32 of the failure or refusal of one or more directors to  
33 qualify or serve or because of his or their death or  
34 incapacitation, or for any other reason, the county  
35 judge of the county in which the district is located  
36 shall appoint the necessary number of directors to  
37 fill all vacancies on the board. . . .

38                           Revisor's Note

39           (1) Section 10, V.A.C.S. Article 8280-438,  
40 refers to a vacancy in the office of director "because  
41 of the failure or refusal of one or more directors to  
42 qualify or serve or because of his or their death or  
43 incapacitation, or for any other reason." The revised

1 law omits the quoted language because it merely  
2 describes every manner in which a vacancy may occur  
3 without limiting in any way the board's duty to fill a  
4 vacancy.

5 (2) Section 10, V.A.C.S. Article 8280-438,  
6 refers to Article 7880-38, Vernon's Texas Civil  
7 Statutes. Article 7880-38 was codified by Chapter 58,  
8 Acts of the 62nd Legislature, Regular Session, 1971,  
9 as Section 51.082, Water Code, which applied to the  
10 district until the September 11, 1978, order that  
11 converted the district to a municipal utility  
12 district. After the conversion, Chapter 715, Acts of  
13 the 74th Legislature, Regular Session, 1995, enacted  
14 Section 49.105, Water Code, to govern a vacancy in the  
15 office of director of certain districts, including a  
16 municipal utility district. The revised law is  
17 drafted accordingly.

18 Revised Law

19 Sec. 8106.054. DISTRICT OFFICE. (a) Except as provided by  
20 this section, the board shall designate, establish, and maintain a  
21 district office as provided by Section 49.062, Water Code.

22 (b) The board may establish a second district office outside  
23 the district. If the board establishes a second district office,  
24 the board shall give notice of the location of that office by:

25 (1) filing a copy of the board resolution that  
26 establishes the location of the office:

27 (A) with the Texas Commission on Environmental  
28 Quality; and

29 (B) in the municipal utility district records of  
30 each county in which the district is located; and

31 (2) publishing notice of the location of the office in  
32 a newspaper of general circulation in each county in which the  
33 district is located.

34 (c) A district office that is a private residence, office,

1 or dwelling is a public place for matters relating to district  
2 business.

3 (d) The board shall provide notice of any change in the  
4 location of the district office outside the district in the manner  
5 required by Subsection (b). (V.A.C.S. Art. 8280-438, Sec. 15.)

6 Source Law

7 Sec. 15. The board of directors shall  
8 designate, establish and maintain a district office as  
9 provided by Article 7880-44 (Vernon's Texas Civil  
10 Statutes), and in addition may establish a second  
11 district office outside the district. Either or both  
12 district offices so established and maintained may be  
13 a private residence, office or dwelling, in which  
14 event such private residence, office or dwelling is  
15 hereby declared to be a public place for matters  
16 relating to the district's business.

17 If the board of directors establishes a district  
18 office outside the district, it shall give notice of  
19 the location of that district office by filing a true  
20 copy of its resolution establishing the location of  
21 such district office with the Texas Water Rights  
22 Commission, by filing a true copy in the Water Control  
23 and Improvement District records of the county or  
24 counties in which district is located, and by  
25 publishing a notice of the location in a newspaper of  
26 general circulation in said county or counties.

27 If the location of the district office outside  
28 the district is thereafter changed, notice of such  
29 change shall be given in the same manner.

30 Revisor's Note

31 (1) Section 15, V.A.C.S. Article 8280-438,  
32 refers to "Article 7880-44 (Vernon's Texas Civil  
33 Statutes)." Article 7880-44 was codified by Chapter  
34 58, Acts of the 62nd Legislature, Regular Session,  
35 1971, as Sections 51.094 and 51.096, Water Code,  
36 relating to the district office and the minutes and  
37 records of the district, respectively. After the  
38 district converted to a municipal utility district in  
39 1978, those sections no longer applied to the  
40 district. See Revisor's Note (3) to Section 8106.002.  
41 Chapter 715, Acts of the 74th Legislature, Regular  
42 Session, 1995, enacted Section 49.062, Water Code, to  
43 govern the designation of offices for certain  
44 districts, including municipal utility districts. The  
45 revised law is drafted accordingly.

1           (2) Section 15, V.A.C.S. Article 8280-438,  
2 refers to the "Texas Water Rights Commission."  
3 Throughout this chapter, the revised law substitutes  
4 "Texas Commission on Environmental Quality" for "Texas  
5 Water Rights Commission" to reflect a change in the  
6 agency's name. In 1977, Section 9, Chapter 870, Acts  
7 of the 65th Legislature, Regular Session, abolished  
8 the Texas Water Rights Commission and created the  
9 Texas Water Commission. The name of the Texas Water  
10 Commission was changed to the Texas Natural Resource  
11 Conservation Commission by Section 1.085, Chapter 3,  
12 Acts of the 72nd Legislature, 1st Called Session,  
13 1991. The name of the Texas Natural Resource  
14 Conservation Commission was changed to the Texas  
15 Commission on Environmental Quality by Section 18.01,  
16 Chapter 965, Acts of the 77th Legislature, Regular  
17 Session, 2001. The revised law is drafted  
18 accordingly.

19           (3) Section 15, V.A.C.S. Article 8280-438,  
20 refers to a "true copy" of a document. The revised law  
21 omits "true" because the word does not add to the clear  
22 meaning of the law. For example, a document purporting  
23 to be a copy is not a copy if it is different from the  
24 original document.

25   Revised Law

26           Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If  
27 the board president is absent from a board meeting:

28                   (1) the board vice president may:

29                                   (A) sign an order adopted at the meeting; or

30                                   (B) implement any other action taken at the  
31 meeting; or

32                   (2) the board may authorize the president to sign the  
33 order or implement the action. (V.A.C.S. Art. 8280-438, Sec. 10  
34 (part).)

1 Source Law

2 Sec. 10. . . . Any order adopted or other action  
3 taken at a meeting of the board of directors at which  
4 the president is absent may be signed by the vice  
5 president, or the board may authorize the president to  
6 sign such order or to implement such other action.

7 Revisor's Note  
8 (End of Subchapter)

9 (1) Section 10, V.A.C.S. Article 8280-438,  
10 provides that each director shall serve until the  
11 director's successor is elected or appointed and  
12 qualified. The revised law omits this provision  
13 because Section 17, Article XVI, Texas Constitution,  
14 requires an officer in this state to continue to  
15 perform the officer's official duties until a  
16 successor has qualified. The omitted law reads:

17 Sec. 10. . . . Each director shall  
18 serve for his term of office as herein  
19 provided, and thereafter until his  
20 successor shall be elected or appointed and  
21 qualified. . . .

22 (2) Section 10, V.A.C.S. Article 8280-438,  
23 provides that directors shall be elected or appointed  
24 and serve as provided by Article 7880-37 (Vernon's  
25 Texas Civil Statutes). The revised law omits that  
26 provision as unnecessary. Article 7880-37 was  
27 codified by Chapter 58, Acts of the 62nd Legislature,  
28 Regular Session, 1971, as Section 51.073, Water Code.  
29 After the district converted to a municipal utility  
30 district in 1978, that section no longer applied to the  
31 district. See Revisor's Note (3) to Section 8106.002.  
32 Chapter 715, Acts of the 74th Legislature, Regular  
33 Session, 1995, enacted Section 49.103, Water Code, to  
34 govern the terms of office of a director of a municipal  
35 utility district. A reference to Section 49.103,  
36 Water Code, is unnecessary because that section  
37 applies to a district director on its own terms. The  
38 omitted law reads:

39 Sec. 10. . . . Succeeding directors

1 shall be elected or appointed and shall  
2 serve for the term and in the manner  
3 provided by Article 7880-37 (Vernon's Texas  
4 Civil Statutes). . . .

5 (3) Section 10, V.A.C.S. Article 8280-438,  
6 provides that three directors constitute a quorum and  
7 that a concurrence of three directors is sufficient in  
8 all matters relating to the business of the district,  
9 including certain construction matters. The revised  
10 law omits this provision because it duplicates Section  
11 49.053, Water Code. The omitted law reads:

12 Sec. 10. . . . Three directors shall  
13 constitute a quorum of any meeting, and a  
14 concurrence of three shall be sufficient in  
15 all matters pertaining to the business of  
16 the district, including the letting of  
17 construction contracts and the drawing of  
18 warrants in payment for construction work,  
19 the purchase of existing facilities, and  
20 matters relating to construction  
21 work. . . .

22 (4) Section 10, V.A.C.S. Article 8280-438,  
23 provides for certain powers of the board's president  
24 and duties of the board's vice president. The revised  
25 law omits those provisions because they duplicate in  
26 substance Section 49.054(c), Water Code. The omitted  
27 law reads:

28 Sec. 10. . . . The president may  
29 execute all contracts, construction or  
30 otherwise, entered into by the board of  
31 directors on behalf of the district. The  
32 vice president shall perform all duties and  
33 exercise all power conferred by this Act or  
34 the general law upon the president when the  
35 president is absent or fails or declines to  
36 act. . . .

37 [Sections 8106.056-8106.100 reserved for expansion]

38 SUBCHAPTER C. POWERS AND DUTIES

39 Revised Law

40 Sec. 8106.101. GENERAL POWERS AND DUTIES. The district has  
41 all of the rights, powers, privileges, authority, and functions  
42 conferred by the general laws of the state relating to municipal  
43 utility districts created under Section 59, Article XVI, Texas  
44 Constitution, including those conferred by Chapters 49 and 54,  
45 Water Code. (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

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Source Law

Sec. 5. The district shall have and exercise, and is hereby vested with, all of the rights, powers, privileges, authority, and functions conferred and imposed by the general laws of this state now in force or hereafter enacted, applicable to water control and improvement districts created under authority of Article XVI, Section 59, Constitution of Texas, including without limitation those conferred by Chapter 3A, Title 128 (Vernon's Texas Civil Statutes); . . . .

Revisor's Note

(1) Section 5, V.A.C.S. Article 8280-438, states that the district has the rights, powers, privileges, authority, and functions conferred by the general laws of this state "now in force or hereafter enacted." The revised law omits the quoted phrase because it duplicates accepted general principles of statutory construction. The "general laws of this state" means those laws "in force" at the time the provision was adopted. It is not necessary to state that an entity may be granted additional powers by later enacted laws because those laws apply on their own terms.

(2) Section 5, V.A.C.S. Article 8280-438, grants the district certain powers, including "without limitation" the powers conferred by Chapter 3A, Title 128, Vernon's Texas Civil Statutes. The revised law omits "without limitation" because Section 311.005(13), Government Code (Code Construction Act), provides that "includes" and "including" are terms of enlargement and not limitation and do not create a presumption that components not expressed are excluded.

(3) Section 5, V.A.C.S. Article 8280-438, refers to "Chapter 3A, Title 128 (Vernon's Texas Civil Statutes)." The relevant provisions of that statute were codified by Chapter 58, Acts of the 62nd Legislature, Regular Session, 1971, as Chapter 51,



1 Water Code. After the district converted to a  
2 municipal utility district in 1978, Chapter 51, Water  
3 Code, no longer applied to the district. Instead,  
4 Chapter 54, Water Code, applies to the district under  
5 Section 54.034 of that code. See Revisor's Note (3) to  
6 Section 8106.002. In 1995, Section 2, Chapter 715,  
7 Acts of the 74th Legislature, Regular Session, enacted  
8 Chapter 49, Water Code. The revised law substitutes  
9 for the reference to "Chapter 3A, Title 128 (Vernon's  
10 Texas Civil Statutes)" a reference to Chapters 49 and  
11 54, Water Code, to reflect these changes.

12 (4) Section 5, V.A.C.S. Article 8280-438,  
13 provides that the rights, powers, privileges,  
14 authority, and functions granted to the district are  
15 subject to the supervision of the state, acting  
16 through the Texas Water Rights Commission. The  
17 revised law omits the provision because, as explained  
18 by Revisor's Note (2) to Section 8106.054, the Texas  
19 Commission on Environmental Quality is the successor  
20 to the Texas Water Rights Commission, and therefore  
21 the provision duplicates, in substance, part of  
22 Section 12.081, Water Code, which is a general law that  
23 applies to the district. The omitted law reads:

24 Sec. 5. . . . The rights, powers,  
25 privileges, authority, and functions herein  
26 granted to the district shall be subject to  
27 the continuing right of supervision of the  
28 state, to be exercised by and through the  
29 Texas Water Rights Commission. . . .

30 (5) Section 5, V.A.C.S. Article 8280-438,  
31 provides that the powers and duties granted to the  
32 district are subject to the state's policy of  
33 encouraging the use of integrated area-wide waste  
34 collection, treatment, and disposal systems. The  
35 revised law omits this provision because it duplicates  
36 Section 49.230, Water Code. The omitted law reads:

37 Sec. 5. . . . The powers and duties

1 conferred on the district are granted  
2 subject to the policy of the state to  
3 encourage the development and use of  
4 integrated area-wide waste collection,  
5 treatment and disposal systems to serve the  
6 waste disposal needs of the citizens of the  
7 state, it being the objective of the policy  
8 to avoid the economic burden to the people  
9 and the impact on the quality of the waters  
10 in the state which result from the  
11 construction and operation of numerous  
12 small waste collection, treatment and  
13 disposal facilities to serve an area when an  
14 integrated area-wide waste collection,  
15 treatment and disposal system for the area  
16 can be reasonably provided. . . .

17 Revised Law

18 Sec. 8106.102. ADDITIONAL POWERS AND DUTIES. (a) The  
19 district may:

20 (1) make, purchase, construct, lease, or otherwise  
21 acquire property, works, facilities, existing improvements, or  
22 improvements to be made, constructed, or acquired that are:

23 (A) inside or outside the boundaries of the  
24 district; and

25 (B) necessary to carry out the powers granted by  
26 this chapter or general law; or

27 (2) enter into a contract with a person on terms the  
28 board considers desirable, fair, and advantageous for:

29 (A) the purchase or sale of water;

30 (B) the transportation, treatment, and disposal  
31 of the domestic, industrial, or communal wastes of the district or  
32 others;

33 (C) the continuing and orderly development of  
34 district land and property through the purchase, construction, or  
35 installation of facilities, works, or improvements that the  
36 district is otherwise authorized to do or perform so that, to the  
37 greatest extent reasonably possible, considering sound engineering  
38 and economic practices, all of the lands and property may  
39 ultimately receive the services of the facilities, works, or  
40 improvements; and

41 (D) the performance of any of the powers granted  
42 by this chapter or general law.

1 (b) A contract under Subsection (a)(2) may not have a  
2 duration of more than 40 years. (V.A.C.S. Art. 8280-438, Sec. 5  
3 (part).)

4 Source Law

5 Sec. 5. . . . Not by way of limitation, the  
6 district shall have and is hereby expressly granted  
7 the following rights, powers, privileges, and  
8 functions:

9 (a) The power and authority to make, purchase,  
10 construct, lease, or otherwise acquire property,  
11 works, facilities, and improvements (whether  
12 previously existing or to be made, constructed, or  
13 acquired) within or without the boundaries of the  
14 district necessary to carry out the powers and  
15 authority granted by this Act and the general laws.

16 (b) The right, power, and authority to enter  
17 into contracts of not exceeding 40 years duration with  
18 persons, corporations (public or private), municipal  
19 corporations, political subdivisions of the State of  
20 Texas, and others, and on such terms and conditions as  
21 the board of directors may deem desirable, fair, and  
22 advantageous for:

23 (1) the purchase and sale of water, or  
24 either;

25 (2) the transportation, treatment and  
26 disposal of its domestic, industrial or communal  
27 wastes or the transportation, treatment and disposal  
28 of domestic, industrial or communal wastes of others;

29 (3) the continuing and orderly development  
30 of the lands and property within the district through  
31 the purchase, construction or installation of  
32 facilities, works or improvements which the district  
33 may otherwise be empowered and authorized to do or  
34 perform so that, to the greatest extent reasonably  
35 possible, considering sound engineering and economic  
36 practices, all of such lands and property may be placed  
37 in a position to ultimately receive the services of  
38 such facilities, works or improvements; and

39 (4) the performance of any of the rights or  
40 powers granted in this Act and the general laws. . . .

41 Revisor's Note

42 (1) Section 5, V.A.C.S. Article 8280-438,  
43 provides that the district "shall have and is hereby  
44 expressly granted the following rights, powers,  
45 privileges, and functions" to take certain actions.  
46 The revised law substitutes "may" for the quoted  
47 phrase because, in context, the phrases are  
48 synonymous, and "may" is more commonly used.

49 (2) Section 5, V.A.C.S. Article 8280-438,  
50 states that "[n]ot by way of limitation," the district  
51 shall have certain powers. The revised law omits the  
52 quoted language for the reason stated in Revisor's Note

1 (2) to Section 8106.101.

2 (3) Section 5, V.A.C.S. Article 8280-438,  
3 refers to the power of the district to enter into  
4 contracts with "persons, corporations (public or  
5 private), municipal corporations, political  
6 subdivisions of the State of Texas, and others." The  
7 revised law substitutes "person" for the quoted  
8 language because under Section 311.005(2), Government  
9 Code (Code Construction Act), "person" is defined to  
10 include any legal entity. That definition applies to  
11 the revised law.

12 (4) Section 5, V.A.C.S. Article 8280-438,  
13 provides that the district may enter into a contract on  
14 "terms and conditions" the board considers desirable,  
15 fair, and advantageous. The revised law omits the  
16 reference to "conditions" because, in context,  
17 "conditions" is included in the meaning of "terms."

18 Revised Law

19 Sec. 8106.103. EMINENT DOMAIN. The district may exercise  
20 the power of eminent domain only:

- 21 (1) in a county in which the district is located; and  
22 (2) when necessary to carry out the purposes for which  
23 the district was created. (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

24 Source Law

25 Sec. 13. The power of eminent domain of the  
26 district shall be limited to the county or counties in  
27 which the district is situated, and to situations  
28 where the exercise of such power is necessary in order  
29 to carry out the purposes for which the district was  
30 created. . . .

31 Revised Law

32 Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY.  
33 (a) In this section, the term "sole expense" means the actual cost  
34 of the action required under Subsection (b) to provide a comparable  
35 replacement without enhancing the facility, after deducting the net  
36 salvage value derived from the old facility.

37 (b) If the district's exercise of eminent domain or of

1 another power conferred by this chapter requires relocating,  
2 raising, rerouting, or changing the grade of, or altering the  
3 construction of any highway, railroad, electric transmission line,  
4 telegraph or telephone property and facility, or pipeline, the  
5 action shall be accomplished at the sole expense of the district.  
6 (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

7 Source Law

8 Sec. 13. . . . In the event that the district,  
9 in the exercise of the power of eminent domain or power  
10 of relocation, or any other power granted hereunder,  
11 makes necessary the relocation, raising, rerouting or  
12 changing the grade of, or altering the construction  
13 of, any highway, railroad, electric transmission line,  
14 telegraph or telephone properties and facilities, or  
15 pipeline, all such necessary relocation, raising,  
16 rerouting, changing of grade or alteration of  
17 construction shall be accomplished at the sole expense  
18 of the district. The term "sole expense" shall mean  
19 the actual cost of such relocation, raising, lowering,  
20 rerouting, or change in grade or alteration of  
21 construction in providing comparable replacement  
22 without enhancement of such facilities, after  
23 deducting therefrom the net salvage value derived from  
24 the old facility.

25 Revised Law

26 Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR  
27 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may  
28 enter into a contract with a political subdivision for water,  
29 sewer, or drainage services or any combination of those services  
30 without the necessity of an election by any contracting party.

31 (b) The district may pay for an obligation incurred by  
32 entering into a contract under this section by issuing bonds that,  
33 if otherwise necessary, have been approved by the voters in the  
34 manner provided by this chapter.

35 (c) The district may deliver the district's bonds to any of  
36 the following parties that enters into a contract with the district  
37 under this section:

- 38 (1) the United States;
- 39 (2) an agency or instrumentality of the United States;
- 40 (3) this state; or
- 41 (4) an agency or instrumentality of this state.

42 (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

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Source Law

Sec. 5. . . . No election shall be required of the district or any municipal corporation or other political subdivisions for approval of water, sewer or drainage contracts or any combination thereof, but such contracts may be entered into without the necessity of an election by any contracting party. The district may make payment of the obligations incurred by any such contract by the issuance of bonds which, if otherwise necessary, have been approved by the voters in the manner provided for in this Act. The district may deliver its bonds to the United States, or any agency or instrumentality thereof, or to the State of Texas, or any agency or instrumentality thereof, which entered into such contracts with the district.

Revisor's Note

Section 5, V.A.C.S. Article 8280-438, provides that the district may contract with "any municipal corporation or other political subdivisions." The revised law omits the reference to "any municipal corporation" because "municipal corporation" is included in the meaning of "political subdivision."

Revised Law

Sec. 8106.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election. (V.A.C.S. Art. 8280-438, Sec. 19.)

Source Law

Sec. 19. Notice of all elections may be given under the hand of either the president or the secretary of the district.

Revised Law

Sec. 8106.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district. (V.A.C.S. Art. 8280-438, Sec. 16.)

Source Law

Sec. 16. The district is directed to adopt and enforce reasonable and effective regulations to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances thereto, as subsidiary parts of the district's sewerage system, to aid in preserving the quality of all water within or controlled by the district.

1 Revisor's Note

2 Section 16, V.A.C.S. Article 8280-438, provides  
3 that the district shall adopt certain "regulations."  
4 The revised law substitutes "rules" because under  
5 Section 311.005(5), Government Code (Code  
6 Construction Act), "rule" is defined to include  
7 "regulation," and "rule" is the term more commonly  
8 used.

9 [Sections 8106.108-8106.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Revised Law

12 Sec. 8106.151. TAX METHOD. (a) The board shall use the ad  
13 valorem plan of taxation.

14 (b) The board is not required to hold a hearing on the  
15 adoption of a plan of taxation. (V.A.C.S. Art. 8280-438, Sec. 8.)

16 Source Law

17 Sec. 8. It shall not be necessary for the board  
18 of directors to call or hold a hearing on the adoption  
19 of a plan of taxation, but the ad valorem plan of  
20 taxation shall be used by the district.

21 Revised Law

22 Sec. 8106.152. DISTRICT ACCOUNTS. The district shall keep  
23 a complete system of the district's accounts. (V.A.C.S. Art.  
24 8280-438, Sec. 14 (part).)

25 Source Law

26 Sec. 14. . . . A complete system of accounts  
27 shall be kept by the district, and . . . .

28 Revised Law

29 Sec. 8106.153. COPY OF AUDIT REPORT. A copy of the audit  
30 report prepared under Subchapter G, Chapter 49, Water Code, shall  
31 be delivered upon request to a holder of at least 25 percent of the  
32 outstanding bonds of the district. (V.A.C.S. Art. 8280-438, Sec.  
33 14 (part).)

34 Source Law

35 Sec. 14. . . . a copy of such audit report shall  
36 be delivered upon request to the holder or holders of  
37 at least 25 percent of the then outstanding bonds of  
38 the district; and . . . .

1 Revisor's Note

2 (1) Section 14, V.A.C.S. Article 8280-438,  
3 refers to various audit procedures, including who may  
4 receive a copy of the audit report. Article 8280-438  
5 was enacted in 1969. As detailed in the revisor's  
6 notes that follow, procedures that are superseded by  
7 Subchapter G, Chapter 49, Water Code, have been  
8 omitted as superseded by Section 49.191(b), Water  
9 Code, and the specific provisions in Subchapter G that  
10 conflict with Article 8280-438. Section 49.191(b)  
11 states that Subchapter G "takes precedence over all  
12 prior statutory enactments." Subchapter G, Chapter  
13 49, Water Code, was enacted in 1995 by Section 2,  
14 Chapter 715, Acts of the 74th Legislature, Regular  
15 Session. For context and the convenience of the  
16 reader, the revised law adds a reference to the audit  
17 report required by Subchapter G, Chapter 49, Water  
18 Code.

19 (2) Section 14, V.A.C.S. Article 8280-438,  
20 provides that an annual audit of the district's affairs  
21 shall be prepared by an independent certified public  
22 accountant or a firm of independent certified public  
23 accountants of recognized integrity and ability. The  
24 revised law omits this provision as superseded by  
25 Sections 49.191(b) and (c), Water Code (enacted by  
26 Section 2, Chapter 715, Acts of the 74th Legislature,  
27 Regular Session, 1995). The omitted law reads:

28 Sec. 14. . . . an audit of its  
29 affairs for each year shall be prepared by  
30 an independent certified public accountant,  
31 or a firm of independent certified public  
32 accountants, of recognized integrity and  
33 ability. . . .

34 (3) Section 14, V.A.C.S. Article 8280-438,  
35 provides that a written report of the audit shall be  
36 delivered to each board member not later than 90 days  
37 after the close of each fiscal year. The revised law



1 omits this provision as superseded by Sections  
2 49.191(b) and (d), Water Code (enacted by Section 2,  
3 Chapter 715, Acts of the 74th Legislature, Regular  
4 Session, 1995). The omitted law reads:

5           Sec. 14. . . . A written report of  
6 the audit shall be delivered to each member  
7 of the board of directors not later than 90  
8 days after the close of each fiscal year;  
9 and . . . .

10           (4) Section 14, V.A.C.S. Article 8280-438,  
11 provides that at least five copies of the audit report  
12 shall be delivered to the district office and that one  
13 of those copies shall constitute a public record. The  
14 revised law omits these provisions as superseded by  
15 Sections 49.191(b), 49.194(c), and 49.196(b), Water  
16 Code (enacted by Section 2, Chapter 715, Acts of the  
17 74th Legislature, Regular Session, 1995). The omitted  
18 law reads:

19           Sec. 14. . . . at least five  
20 additional copies of said audit shall be  
21 delivered to the office of the district, one  
22 of which shall be kept on file, and shall  
23 constitute a public record open to  
24 inspection by any interested person or  
25 persons within normal office hours;  
26 and . . . .

27           (5) Section 14, V.A.C.S. Article 8280-438,  
28 provides that one copy of the audit report shall be  
29 filed with the Texas Water Rights Commission. The  
30 revised law omits this provision as superseded by  
31 Sections 49.191(b) and 49.194(a), Water Code (enacted  
32 by Section 2, Chapter 715, Acts of the 74th  
33 Legislature, Regular Session, 1995). The omitted law  
34 reads:

35           Sec. 14. . . . one copy of such audit  
36 report shall be filed with the Texas Water  
37 Rights Commission. . . .

38           (6) Section 14, V.A.C.S. Article 8280-438,  
39 provides that the district shall pay the cost of the  
40 audit. The revised law omits this provision because it  
41 duplicates Section 49.191(a), Water Code. The omitted

1 law reads:

2 Sec. 14. . . . The cost of said audit  
3 shall be borne by the district.

4 Revised Law

5 Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

6 The district is not required to pay a tax or assessment on:

7 (1) district property; or

8 (2) a purchase made by the district. (V.A.C.S. Art.  
9 8280-438, Sec. 24 (part).)

10 Source Law

11 Sec. 24. . . . the district shall not be  
12 required to pay any tax or assessment on its properties  
13 or any part thereof or on any purchases made by the  
14 district.

15 Revised Law

16 Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A

17 director may be a shareholder in a depository of district funds.

18 (V.A.C.S. Art. 8280-438, Sec. 14 (part).)

19 Source Law

20 Sec. 14. . . . Any director of the district may  
21 be a shareholder in said depository bank or  
22 banks. . . .

23 Revisor's Note

24 Section 14, V.A.C.S. Article 8280-438, provides  
25 that the district shall select a bank to act as a  
26 depository for district funds. Section 14 also  
27 provides that to the extent the funds in the depository  
28 are not insured by the Federal Deposit Insurance  
29 Corporation, the funds shall be secured in the manner  
30 provided by law for the security of county funds. The  
31 revised law omits these provisions because they  
32 duplicate, in substance, Section 49.156, Water Code.  
33 The omitted law reads:

34 Sec. 14. The board of directors of  
35 the district shall select any bank or banks  
36 in the State of Texas to act as depository  
37 or depositories for the funds of the  
38 district. To the extent that funds in the  
39 depository bank or banks are not insured by  
40 the Federal Deposit Insurance Corporation,  
41 they shall be secured in the manner provided

1 by law for the security of county  
2 funds. . . .

3 Revisor's Note  
4 (End of Subchapter)

5 Section 14, V.A.C.S. Article 8280-438, provides  
6 that the district's fiscal year is January 1 to  
7 December 31 unless changed by the board. The revised  
8 law omits the provision specifying the dates of the  
9 fiscal year as executed because the board has already  
10 changed the district's fiscal year. The revised law  
11 omits the provision allowing the board to change the  
12 district's fiscal year because it duplicates Section  
13 49.158, Water Code. The omitted law reads:

14 Sec. 14. . . . The fiscal year of the  
15 district shall be from January 1 to December  
16 31 of the same year, unless and until  
17 changed by the board of directors. . . .

18 Revisor's Note  
19 (End of Chapter)

20 (1) Section 7, V.A.C.S. Article 8280-438,  
21 provides for the exclusion of property from the  
22 district before the first bond election is called. The  
23 revised law omits this provision as executed because  
24 the district has already issued bonds. The omitted law  
25 reads:

26 Sec. 7. It shall not be necessary for  
27 the board of directors to call or hold a  
28 hearing on the exclusions of land or other  
29 property from the district; provided,  
30 however, that the board shall hold such  
31 hearing upon the written petition of any  
32 landowner or other property owner within  
33 the district filed with the secretary of the  
34 board prior to the calling of the first bond  
35 election for the district. The board of  
36 directors shall give notice of the right of  
37 a landowner or property owner to petition to  
38 have his lands excluded by publishing same  
39 in a newspaper of general circulation in the  
40 county or counties in which the district is  
41 situated one time at least 10 days prior to  
42 the calling of the bond election. The board  
43 may act on said petition in the same manner  
44 as it may act on a petition for the addition  
45 of land under Article 7880-75 (Vernon's  
46 Texas Civil Statutes), and no notice of  
47 hearing shall be required. . . .

48 (2) Section 7, V.A.C.S. Article 8280-438,

1 provides that the board may on its own motion hold a  
2 hearing on the exclusion of land from the district in  
3 the manner provided by general law. The revised law  
4 omits this provision because it duplicates Section  
5 49.303, Water Code. The omitted law reads:

6           Sec. 7. . . . The board on its own  
7 motion may call and hold an exclusions  
8 hearing or hearings in the manner provided  
9 by the general law.

10           (3) The revised law omits Section 9, V.A.C.S.  
11 Article 8280-438, which provides that the district may  
12 add or annex land in the manner provided by Chapter 3A,  
13 Title 128, Vernon's Texas Civil Statutes. The relevant  
14 provisions of that statute were codified by Chapter  
15 58, Acts of the 62nd Legislature, Regular Session,  
16 1971, as Subchapter O, Chapter 51, Water Code. After  
17 the district converted to a municipal utility district  
18 in 1978, that subchapter no longer applied to the  
19 district. Instead, Subchapter H, Chapter 54, Water  
20 Code, applied to the district under Section 54.034 of  
21 that code. See Revisor's Note (3) to Section 8106.002.  
22 Chapter 715, Acts of the 74th Legislature, Regular  
23 Session, 1995, repealed some of the relevant  
24 provisions of Subchapter H, Chapter 54, Water Code,  
25 and enacted Subchapter J, Chapter 49, Water Code, to  
26 govern the addition of land to a municipal utility  
27 district and certain other districts. Subchapter J,  
28 Chapter 49, Water Code, applies to the district  
29 without an express reference to Subchapter J by this  
30 chapter. The remaining relevant provisions of  
31 Subchapter H, Chapter 54, Water Code, apply to the  
32 district under Section 54.001, Water Code, without an  
33 express reference to those sections by this chapter.

34           Section 9, V.A.C.S. Article 8280-438, also  
35 provides procedures regarding petitions and bonds.  
36 The revised law omits these provisions because they

1 duplicate, in substance, portions of Sections 49.301  
2 and 49.302, Water Code.

3 Section 9, V.A.C.S. Article 8280-438, refers to  
4 "property taxpaying voters." The revised law omits  
5 the reference to "property taxpaying" because in Hill  
6 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the  
7 United States Supreme Court determined that property  
8 ownership as a qualification for voting is an  
9 unconstitutional denial of equal protection. The  
10 omitted law reads:

11 Sec. 9. Land may be added to or  
12 annexed by the district in the manner now  
13 provided by Chapter 3A, Title 128 (Vernon's  
14 Texas Civil Statutes); provided, however,  
15 that the board of directors may require the  
16 petitioners, if land is being added in the  
17 manner provided by Article 7880-75  
18 (Vernon's Texas Civil Statutes), to assume  
19 their pro rata share of the voted but  
20 unissued bonds of the district and to  
21 authorize the board to levy a tax on their  
22 property in payment of such unissued bonds,  
23 when issued, or if land is being annexed  
24 in the manner provided by Article 7880-75b  
25 (Vernon's Texas Civil Statutes), the board  
26 may also submit a proposition to the  
27 property taxpaying voters of the area to be  
28 annexed on the question of the assumption by  
29 the area to be annexed of its part of the tax  
30 or tax-revenue bonds of the district  
31 theretofore voted but not yet issued or sold  
32 and the levy of an ad valorem tax on taxable  
33 property within the area to be annexed along  
34 with the tax in the rest of the district for  
35 the payment thereof. If the petitioners  
36 consent or if the election results  
37 favorably, the district shall be authorized  
38 to issue its voted but unissued tax or  
39 tax-revenue bonds even though the  
40 boundaries of the district have been  
41 changed since the voting or authorization  
42 of such bonds.

43 (4) Section 10, V.A.C.S. Article 8280-438,  
44 refers to the initial board of directors of the  
45 district. The revised law omits this provision as  
46 executed. The omitted law reads:

47 Sec. 10. . . . Immediately after  
48 this Act becomes effective, the following  
49 named persons shall be the directors of the  
50 district and shall constitute the board of  
51 directors of the district:  
52 David B. Watkins, Jr.  
53 Thomas W. Cossey

1 Van Ballard  
2 U. L. Edwards  
3 E. R. Franz

4 Said persons shall file their bonds as soon  
5 as practicable after the effective date of  
6 this Act and shall otherwise be fully  
7 qualified to serve as directors prior to the  
8 first meeting of the board of  
9 directors. . . . The directors above named  
10 or their duly appointed and qualified  
11 successor or successors shall serve until  
12 the second Tuesday in January, 1971. . . .

13 (5) Section 11, V.A.C.S. Article 8280-438,  
14 provides that the district shall comply with the  
15 requirements of Article 7880-139, Vernon's Texas Civil  
16 Statutes. Article 7880-139 was codified by Chapter  
17 58, Acts of the 62nd Legislature, Regular Session,  
18 1971, as Sections 51.421 and 51.422, Water Code. After  
19 the district converted to a municipal utility district  
20 in 1978, those sections no longer applied to the  
21 district. See Revisor's Note (3) to Section 8106.002.  
22 Chapter 715, Acts of the 74th Legislature, Regular  
23 Session, 1995, enacted Sections 49.181 and 49.182,  
24 Water Code, to govern the authority of the Texas  
25 Commission on Environmental Quality over the issuance  
26 of district bonds and supervision by the commission of  
27 projects and improvements, respectively, and repealed  
28 earlier statutes governing those matters. The revised  
29 law omits the reference to Article 7880-139 because  
30 Sections 49.181 and 49.182, Water Code, apply to the  
31 district on their own terms, without an express  
32 reference to those sections in this chapter. The  
33 omitted law reads:

34 Sec. 11. The district shall comply  
35 with the requirements of Article 7880-139  
36 (Vernon's Texas Civil Statutes).

37 (6) Section 12, V.A.C.S. Article 8280-438,  
38 refers to the district's authority to issue bonds under  
39 Chapter 3A, Title 128, and Article 7880-90a, Vernon's  
40 Texas Civil Statutes, "as presently in effect or as  
41 hereafter amended." The revised law omits the quoted

1 language because, under Section 311.027, Government  
2 Code (Code Construction Act), applicable to the  
3 revised law, a reference to a statute applies to all  
4 reenactments, revisions, or amendments of that  
5 statute, unless expressly provided otherwise. Chapter  
6 58, Acts of the 62nd Legislature, Regular Session,  
7 1971, codified the relevant provisions of Chapter 3A,  
8 Title 128, as Chapter 51, Water Code. The same act  
9 codified Article 7880-90a as Sections 51.450-51.454,  
10 Water Code. The revised law omits the references to  
11 those laws because the district converted from a water  
12 control and improvement district governed by Chapter  
13 51, Water Code, to a municipal utility district  
14 governed by Chapter 54, Water Code. See Revisor's Note  
15 (3) to Section 8106.002. The provisions of Chapter 54,  
16 Water Code, apply on their own terms. The omitted law  
17 reads:

18           Sec. 12. The district is hereby  
19 authorized to issue its negotiable tax  
20 bonds, revenue bonds, or tax and revenue  
21 bonds to provide funds for any or all of the  
22 purposes set out or incorporated by  
23 reference herein, including the acquisition  
24 of land therefor, and said bonds shall be  
25 issued in the manner provided and as  
26 authorized by Article 7880-90a (Vernon's  
27 Texas Civil Statutes), and Chapter 3A of  
28 Title 128 (Vernon's Texas Civil Statutes),  
29 as presently in effect or as hereafter  
30 amended; . . . .

31           (7) Section 12, V.A.C.S. Article 8280-438,  
32 authorizes the district to issue "negotiable" bonds.  
33 The revised law omits "negotiable" because, under  
34 Section 1201.041, Government Code, a public security  
35 is a negotiable instrument. Section 1201.041 applies  
36 to bonds issued under Article 8280-438 by application  
37 of Section 1201.002, Government Code.

38           (8) Section 12, V.A.C.S. Article 8280-438,  
39 provides that an election is not required for bonds  
40 payable from revenues. The revised law omits this

1 provision because it duplicates Section 54.505, Water  
2 Code. The omitted law reads:

3           Sec. 12. . . . provided, however,  
4           that bonds payable solely from net revenues  
5           may be issued by resolution or order of the  
6           board of directors and no election therefor  
7           shall be necessary. . . .

8           (9) Section 12, V.A.C.S. Article 8280-438,  
9           provides for payment of bonds. The revised law omits  
10           this provision because it duplicates Section 54.503,  
11           Water Code. The omitted law reads:

12           Sec. 12. . . .  
13           The bonds issued hereunder may be  
14           payable from all or any designated part or  
15           parts of the revenues of the district's  
16           properties and facilities or under specific  
17           contracts, as may be provided in the orders  
18           or resolutions authorizing the issuance of  
19           such bonds; and . . . .

20           (10) Section 12, V.A.C.S. Article 8280-438,  
21           provides that Chapter 3A, Title 128, Vernon's Texas  
22           Civil Statutes, applies to bonds issued under Section  
23           12 except when Chapter 3A is inconsistent or in  
24           conflict with Section 12. The revised law omits this  
25           provision for the reason stated in Revisor's Note (1)  
26           to the end of Subchapter A. The omitted law reads:

27           Sec. 12. . . . except as the same may  
28           be inconsistent or in conflict with the  
29           provisions of this Act, the provisions of  
30           said Chapter 3A of Title 128 (Vernon's Texas  
31           Civil Statutes), as presently in effect or  
32           as hereafter amended, shall apply to all  
33           bonds issued under the provisions of this  
34           Act (the provisions of this Act to govern  
35           and take precedence in the event of any such  
36           inconsistency or conflict). . . .

37           (11) Section 12, V.A.C.S. Article 8280-438,  
38           provides for additional security for bonds. The  
39           revised law omits this provision because it duplicates  
40           Section 54.504, Water Code. The omitted law reads:

41           Sec. 12. . . . Such bonds, within the  
42           discretion of the board of directors, may be  
43           additionally secured by a deed of trust or  
44           mortgage lien upon part or all of the  
45           physical properties of the district, and  
46           franchises, easements, water rights and  
47           appropriation permits, leases, and  
48           contracts and all rights appurtenant to



1 such properties, vesting in the trustee  
2 power to sell such properties for payment of  
3 the indebtedness, power to operate the  
4 properties and all other powers and  
5 authority for the further security of the  
6 bonds. Such trust indenture, regardless of  
7 the existence of the deed of trust or  
8 mortgage lien on the properties, may  
9 contain provisions prescribed by the board  
10 of directors for the security of the bonds  
11 and the preservation of the trust estate,  
12 and may make provisions for amendment or  
13 modification thereof and the issuance of  
14 bonds to replace lost or mutilated bonds,  
15 and may condition the right to expend  
16 district money or sell district property  
17 upon approval of a registered professional  
18 engineer selected as provided therein and  
19 may make provision for investment of funds  
20 of the district. . . . Any purchaser under  
21 a sale under the deed of trust or mortgage  
22 lien, where one is given, shall be absolute  
23 owner of the properties, facilities, and  
24 rights so purchased and shall have the right  
25 to maintain and operate same. . . .

26 (12) Section 12, V.A.C.S. Article 8280-438,  
27 specifies various provisions of bonds. The revised  
28 law omits this provision because it duplicates Section  
29 54.510, Water Code. The omitted law reads:

30 Sec. 12. . . . In the orders or  
31 resolutions authorizing the issuance of any  
32 revenue, tax-revenue, revenue refunding, or  
33 tax-revenue refunding bonds authorized  
34 hereunder, the district's board of  
35 directors may provide for the flow of funds,  
36 the establishment and maintenance of the  
37 interest and sinking fund or funds, reserve  
38 fund or funds, and other funds, and may make  
39 additional covenants with respect to the  
40 bonds and the pledged revenues and the  
41 operation and maintenance of those  
42 improvements and facilities (the revenues  
43 of which are pledged), including provisions  
44 for the operation or for the leasing of all  
45 or any part of said improvements and  
46 facilities and the use or pledge of moneys  
47 derived from such operation contracts and  
48 leases as such board may deem appropriate.  
49 Such orders or resolutions may also  
50 prohibit the further issuance of bonds or  
51 other obligations payable from the pledged  
52 revenues, or may reserve the right to issue  
53 additional bonds to be secured by a pledge  
54 of and payable from said revenues on a  
55 parity with, or subordinate to, the lien and  
56 pledge in support of the bonds being issued,  
57 subject to such conditions as are set forth  
58 in such orders or resolutions. Such orders  
59 or resolutions may contain other provisions  
60 and covenants, as the district's board of  
61 directors may determine, not prohibited by  
62 the Constitution of Texas or by this Act,  
63 and said board may adopt and cause to be  
64 executed any other proceedings or

1 instruments necessary and/or convenient in  
2 the issuance of any such bonds. . . .

3 (13) Section 12, V.A.C.S. Article 8280-438,  
4 provides for the use of bond proceeds. The revised law  
5 omits this provision because it duplicates, in  
6 substance, Section 49.155, Water Code. The omitted  
7 law reads:

8 Sec. 12. . . . From the proceeds of  
9 sale of any bonds issued hereunder, the  
10 district may appropriate or set aside out of  
11 the bond proceeds an amount for the payment  
12 of interest, administrative, and operating  
13 expenses expected to accrue during the  
14 period of construction, said period not to  
15 exceed three years, as may be provided in  
16 the bond orders or resolutions, and an  
17 amount necessary to pay all expenses  
18 incurred and to be incurred in the issuance,  
19 sale and delivery of the bonds. . . .

20 (14) Section 12, V.A.C.S. Article 8280-438,  
21 provides for the investment or placement of money  
22 established in a bond order. The revised law omits  
23 this provision because it duplicates, in substance,  
24 Section 49.157, Water Code, and is superseded by  
25 Subchapter A, Chapter 2256, Government Code (enacted  
26 as Chapter 889, Acts of the 70th Legislature, Regular  
27 Session, 1987). The omitted law reads:

28 Sec. 12. . . . Moneys in the  
29 interest and sinking fund or funds and the  
30 reserve fund or funds, and in the other fund  
31 or funds established or provided for in the  
32 bond orders or resolutions may be invested  
33 in such manner and in such securities as may  
34 be provided in the bond order or orders or  
35 may be placed on interest-bearing time  
36 deposit. . . .

37 (15) Section 12, V.A.C.S. Article 8280-438,  
38 provides that bond proceeds may be invested in  
39 securities of the United States or placed on  
40 interest-bearing time deposit. The revised law omits  
41 this provision as superseded by Subchapter A, Chapter  
42 2256, Government Code (enacted as Chapter 889, Acts of  
43 the 70th Legislature, Regular Session, 1987). The  
44 omitted law reads:

45 Sec. 12. . . . Until such time as the

1 bond proceeds are needed to carry out the  
2 bond purposes, such proceeds may be  
3 invested in securities of the United States  
4 government or any agency thereof or may be  
5 placed on interest-bearing time deposit,  
6 either or both. . . .

7 (16) Section 12, V.A.C.S. Article 8280-438,  
8 provides that bonds issued under Article 8280-438 may  
9 be registered as to principal or as to principal and  
10 interest. The revised law omits this provision  
11 because it duplicates Section 1201.024, Government  
12 Code. That section applies to bonds issued under  
13 V.A.C.S. Article 8280-438 by the application of  
14 Section 1201.002, Government Code. The omitted law  
15 reads:

16 Sec. 12. . . . Any such revenue  
17 bonds, tax-revenue bonds, revenue refunding  
18 bonds, or tax-revenue refunding bonds  
19 hereinafter mentioned may be registrable as  
20 to principal or as to both principal and  
21 interest. . . .

22 (17) Section 12, V.A.C.S. Article 8280-438,  
23 authorizes the district to issue refunding bonds for  
24 bonds issued by the district and provides procedures  
25 applicable to refunding bonds. The revised law omits  
26 these provisions because they duplicate Chapter 1207,  
27 Government Code, which provides general authority for  
28 an issuer, including the district, to issue refunding  
29 securities and prescribes procedures applicable to  
30 those refunding securities. Chapter 1207 applies to  
31 the district by application of Section 1207.001,  
32 Government Code. The omitted law reads:

33 Sec. 12. . . . By orders or  
34 resolutions adopted by its board of  
35 directors, said district shall have the  
36 power and authority to issue revenue  
37 refunding bonds or tax-revenue refunding  
38 bonds to refund revenue bonds or  
39 tax-revenue bonds (either original bonds or  
40 refunding bonds) theretofore issued by such  
41 district. . . . but in lieu thereof the  
42 orders or resolutions authorizing their  
43 issuance may provide that they shall be sold  
44 and the proceeds thereof deposited in the  
45 place or places where the underlying bonds  
46 are payable, in which case the refunding  
47 bonds may be issued provided an amount

1 sufficient to pay the interest of and  
2 principal on the underlying bonds to their  
3 maturity dates or to their option dates if  
4 said bonds have been duly called for payment  
5 prior to maturity according to their terms  
6 has been so deposited in the place or places  
7 where said underlying bonds are payable,  
8 and the comptroller of public accounts  
9 shall register them without the surrender  
10 and cancellation of the underlying  
11 bonds. . . .

12 (18) Section 12, V.A.C.S. Article 8280-438,  
13 requires the district to deliver bonds it issues to the  
14 attorney general for examination and approval. The  
15 revised law omits this provision because it  
16 duplicates, in substance, Section 1202.003,  
17 Government Code. Section 1202.003, Government Code,  
18 applies to bonds issued under this chapter by  
19 application of Section 1202.001, Government Code. The  
20 omitted law reads:

21 Sec. 12. . . . Said refunding bonds  
22 shall be approved by the attorney general as  
23 in the case of original bonds and . . . .  
24 After any bonds have been authorized  
25 by the district hereunder, such bonds and  
26 the record relating to their issuance shall  
27 be submitted to the Attorney General of the  
28 State of Texas for his examination as to the  
29 validity thereof; . . . .

30 (19) Section 12, V.A.C.S. Article 8280-438,  
31 provides that after approval the bonds shall be  
32 registered with the comptroller. The revised law  
33 omits this provision as superseded by Section  
34 1202.005, Government Code (enacted in 1987 as Section  
35 3.002(c), Chapter 53, Acts of the 70th Legislature,  
36 2nd Called Session). Section 1202.005, Government  
37 Code, applies to bonds issued under this chapter by  
38 application of Section 1202.001, Government Code. The  
39 omitted law reads:

40 Sec. 12. . . . shall be registered by  
41 the comptroller of public accounts upon the  
42 surrender and cancellation of the bonds to  
43 be refunded; . . . . and after said  
44 attorney general has approved the same,  
45 such bonds shall be registered by the  
46 Comptroller of Public Accounts of the State  
47 of Texas. . . .

1           (20) Section 12, V.A.C.S. Article 8280-438,  
2 provides that after approval and registration, bonds  
3 issued under that section are incontestable except for  
4 forgery and fraud. The revised law omits this  
5 provision as impliedly repealed by Section 1202.006,  
6 Government Code (enacted as Section 3.002(d), Chapter  
7 53, Acts of the 70th Legislature, 2nd Called Session,  
8 1987). Section 1202.006, Government Code, provides  
9 that after approval and registration, bonds are  
10 incontestable for any reason. Section 1202.006  
11 applies to bonds issued under this chapter by  
12 application of Section 1202.001, Government Code. The  
13 omitted law reads:

14                   Sec. 12. . . . When such bonds have  
15 been approved by the attorney general,  
16 registered by the comptroller of public  
17 accounts, and delivered to the purchasers,  
18 they shall thereafter be incontestable  
19 except for forgery or fraud. . . .

20           (21) Section 12, V.A.C.S. Article 8280-438,  
21 details various procedures regarding approval of bond  
22 contracts and proceedings by the attorney general.  
23 The revised law omits the portion of Section 12  
24 regarding the validity and incontestability of a  
25 contract the proceeds of which are pledged to the  
26 payment of a bond as impliedly repealed by Section  
27 1202.006, Government Code (enacted as Section  
28 3.002(d), Chapter 53, Acts of the 70th Legislature,  
29 2nd Called Session, 1987). Section 1202.006,  
30 Government Code, provides that after approval and  
31 registration of the bond and contract, the bond and  
32 contract are incontestable for any reason. Section  
33 1202.006 applies to bonds issued under this chapter by  
34 application of Section 1202.001, Government Code. The  
35 omitted law reads:

36                   Sec. 12. . . . When any bonds recite  
37 that they are secured partially or  
38 otherwise by a pledge of the proceeds of a

1 contract or contracts made between the  
2 district and another party or parties  
3 (private or public), a copy of such contract  
4 or contracts and the proceedings  
5 authorizing the same may or may not be  
6 submitted to the attorney general along  
7 with the bond record, and, if so submitted,  
8 the approval of the attorney general of the  
9 bonds shall constitute an approval of such  
10 contract or contracts, and thereafter the  
11 contract or contracts shall be  
12 incontestable for any cause except for  
13 forgery or fraud. . . .

14 (22) Section 12, V.A.C.S. Article 8280-438,  
15 provides that the district may sell bonds only after  
16 taking public bids. The revised law omits this  
17 provision because it duplicates Section 49.183(a),  
18 Water Code. The omitted law reads:

19 Sec. 12. . . . The district's bonds  
20 shall be sold only after taking public bids  
21 therefor.

22 (23) Section 17, V.A.C.S. Article 8280-438,  
23 provides that the district may sell bonds at any price  
24 or terms, except that the price may not be less than  
25 that provided by law. The revised law omits this  
26 provision because it duplicates Section 1204.006(b),  
27 Government Code. Section 1204.006(b) provides that an  
28 issuer may sell public securities at any price and  
29 applies to bonds issued under this chapter by  
30 application of Section 1204.001, Government Code. The  
31 omitted law reads:

32 Sec. 17. Bonds of the district may be  
33 sold at a price and upon the terms  
34 determined by the board of directors of the  
35 district, except that such bonds shall not  
36 be sold for a less amount than provided by  
37 law.

38 (24) Section 18, V.A.C.S. Article 8280-438,  
39 provides that elections to authorize district bonds  
40 must be held under general law. Section 18 also  
41 provides that if the first bond election fails,  
42 V.A.C.S. Article 7880-77b or any other provision  
43 relating to the dissolution of a district when a bond  
44 election fails does not apply to the district. Article

1 7880-77b was codified by Chapter 58, Acts of the 62nd  
2 Legislature, Regular Session, 1971, as Sections  
3 51.781-51.792, Water Code. The revised law omits the  
4 provision relating to the first bond election as  
5 executed. The revised law omits the provision  
6 requiring bond elections to be held under applicable  
7 general law because it duplicates Section 49.101,  
8 Water Code. The omitted law reads:

9           Sec. 18. All elections to authorize  
10 the issuance of bonds by the district shall  
11 be held pursuant to the general law  
12 applicable thereto; provided, however, that  
13 if the first bond election fails, Article  
14 7880-77b (Vernon's Texas Civil Statutes),  
15 or any other provision of the general law  
16 pertaining to dissolution of the district  
17 when a bond election fails shall not apply.

18           (25) Section 21, V.A.C.S. Article 8280-438,  
19 lists the entities for which bonds issued under  
20 Article 8280-438 are legal investments and provides  
21 that bonds issued under Article 8280-438 may secure  
22 deposits of public funds of the state or political  
23 subdivisions. The revised law omits this provision  
24 because it duplicates Section 49.186, Water Code. The  
25 omitted law reads:

26           Sec. 21. All bonds and refunding  
27 bonds of the district shall be and are  
28 hereby declared to be legal, eligible, and  
29 authorized investments for banks, savings  
30 and loan associations, insurance companies,  
31 fiduciaries, trustees, and for the sinking  
32 funds of cities, towns, villages, counties,  
33 school districts, or other political  
34 corporations or subdivisions of the State  
35 of Texas, and for all public funds of the  
36 State of Texas or its agencies, including  
37 the State Permanent School Fund. Such bonds  
38 and refunding bonds shall be eligible to  
39 secure the deposit of any and all public  
40 funds of the State of Texas, cities, towns,  
41 villages, counties, school districts, or  
42 other political corporations or  
43 subdivisions of the State of Texas; and such  
44 bonds shall be lawful and sufficient  
45 security for said deposits to the extent of  
46 their face value, when accompanied by all  
47 unmatured coupons appurtenant thereto.

48           (26) Section 20, V.A.C.S. Article 8280-438,  
49 provides that the board shall canvass the returns of

1 all elections. The revised law omits this requirement  
2 because it duplicates Section 67.002, Election Code,  
3 which requires the governing body of a political  
4 subdivision that orders an election to canvass the  
5 returns. Section 20 also provides that the board shall  
6 canvass the election returns "as soon as reasonably  
7 practicable after an election." The revised law omits  
8 this provision as superseded by Section 67.003,  
9 Election Code (enacted as Section 1, Chapter 211, Acts  
10 of the 69th Legislature, Regular Session, 1985). The  
11 omitted law reads:

12           Sec. 20. The returns of all elections  
13           shall be canvassed by the board of directors  
14           of the district as soon as reasonably  
15           practicable after an election.

16           (27) Section 23, V.A.C.S. Article 8280-438,  
17           provides that the requirements of Section 59(d),  
18           Article XVI, Texas Constitution (requiring public  
19           notice of enactment of the statute), have been  
20           accomplished and that the legislature has the power to  
21           enact Article 8280-438. The revised law omits Section  
22           23 as executed. The omitted law reads:

23           Sec. 23. The                   Legislature  
24           specifically finds and declares that the  
25           requirements of Article XVI, Section 59(d),  
26           Constitution of Texas, have been done and  
27           accomplished in due course and time and in  
28           due order, and that the Legislature has the  
29           power and authority to enact this Act.

30           (28) Section 25, V.A.C.S. Article 8280-438,  
31           provides that the act is severable. The revised law  
32           omits this provision because it duplicates Section  
33           311.032, Government Code (Code Construction Act),  
34           applicable to the revised law, which states that a  
35           provision of a statute is severable from each other  
36           provision of the statute that can be given effect. The  
37           omitted law reads:

38           Sec. 25. If any word, phrase, clause,  
39           paragraph, sentence, part, portion, or  
40           provision of this Act or the application



1           thereof to any person or circumstance shall  
2           be held to be invalid or unconstitutional,  
3           the remainder of the Act shall nevertheless  
4           be valid; and the Legislature hereby  
5           declares that this Act would have been  
6           enacted without such invalid or  
7           unconstitutional word, phrase, clause,  
8           paragraph, sentence, part, portion, or  
9           provision.

10           CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER CONSERVATION

11                           DISTRICT

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4 CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER CONSERVATION DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Revised Law

7 Sec. 8802.001. DEFINITIONS. In this chapter:

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

10 (2) "District" means the Barton Springs-Edwards  
11 Aquifer Conservation District. (Acts 70th Leg., R.S., Ch. 429,  
12 Secs. 1 (part), 2(c)(1) (part).)

13 Source Law

14 Sec. 1. . . . the Barton Springs-Edwards  
15 Aquifer Conservation District (the "district"),  
16 . . . .

17 [Sec. 2]

18 (c)(1) The board of directors of the district  
19 (the "board") . . . .

20 Revised Law

21 Sec. 8802.002. LEGISLATIVE FINDINGS. The legislature finds  
22 that the creation of the district:

23 (1) is feasible and practicable;

24 (2) will be a benefit to land in the district; and

25 (3) will be a public benefit and utility. (Acts 70th  
26 Leg., R.S., Ch. 429, Sec. 1 (part).)

27 Source Law

28 Sec. 1. . . . The legislature hereby finds that  
29 creation of the Barton Springs-Edwards Aquifer  
30 Conservation District . . . is feasible and  
31 practicable, that it would be a benefit to land in the  
32 district, and that it would be a public benefit and  
33 utility, . . . .

34 Revised Law

35 Sec. 8802.003. DISTRICT TERRITORY. The district is  
36 composed of the territory described by the Texas Water Commission's  
37 August 15, 1986, order, as that territory may have been modified  
38 under:

39 (1) Subchapter J, Chapter 36, Water Code; or

1 (2) other law. (Acts 70th Leg., R.S., Ch. 429, Sec. 1  
2 (part); New.)

3 Source Law

4 Sec. 1. . . . the boundaries of which are set  
5 forth by the Texas Water Commission's August 15, 1986,  
6 order, . . . .

7 Revisor's Note

8 For the reader's convenience, the revised law  
9 includes references to the authority to change the  
10 district's territory under Subchapter J, Chapter 36,  
11 Water Code, applicable to groundwater conservation  
12 districts, and to the general authority of the  
13 legislature to enact a law to change the district's  
14 territory.

15 Revised Law

16 Sec. 8802.004. EFFECT ON CERTAIN LITIGATION. This chapter  
17 does not adversely affect the rights of any parties involved in  
18 litigation on or before February 1, 1987, with the Texas Water  
19 Commission or the petitioners for the creation of the district.  
20 (Acts 70th Leg., R.S., Ch. 429, Sec. 11.)

21 Source Law

22 Sec. 11. Nothing contained in this Act affecting  
23 the Barton Springs-Edwards Aquifer Conservation  
24 District shall adversely affect the rights of any  
25 parties who were in litigation on or before February 1,  
26 1987, with the Texas Water Commission or the  
27 petitioners for the creation of the Barton  
28 Springs-Edwards Aquifer Conservation District.

29 [Sections 8802.005-8802.050 reserved for expansion]

30 SUBCHAPTER B. BOARD OF DIRECTORS

31 Revised Law

32 Sec. 8802.051. DIRECTORS; TERMS. (a) The district is  
33 governed by a board of five directors who serve staggered four-year  
34 terms.

35 (b) At least two directors must be elected by voters  
36 residing in the city of Austin. (Acts 70th Leg., R.S., Ch. 429,  
37 Secs. 2(f)(1) (part), 7(a) (part), (c) (part).)



1 elect the appropriate number of directors on the spring uniform  
2 election date each even-numbered year. (Acts 70th Leg., R.S., Ch.  
3 429, Sec. 7(c) (part).)

4 Source Law

5 (c) . . . all director's elections shall occur  
6 on the spring uniform election date of even-numbered  
7 years.

8 Revised Law

9 Sec. 8802.053. SINGLE-MEMBER DISTRICTS. (a) The district  
10 is divided into five numbered, single-member districts for electing  
11 directors.

12 (b) The board may revise the single-member districts as  
13 necessary or appropriate.

14 (c) As soon as practicable after the publication of each  
15 federal decennial census, the board shall revise the single-member  
16 districts as the board considers appropriate to reflect population  
17 changes. When the board revises the single-member districts under  
18 this subsection, the board shall place two of the districts:

19 (1) entirely within the boundaries of the city of  
20 Austin, as those boundaries exist at that time; or

21 (2) within the boundaries of the city of Austin, as  
22 those boundaries exist at that time, but also including  
23 unincorporated areas or other municipalities that are surrounded  
24 wholly or partly by the boundaries of the city of Austin if the  
25 areas or municipalities are noncontiguous to the territory of any  
26 other single-member district.

27 (d) Changes in the boundaries of the city of Austin between  
28 revisions of the single-member districts under Subsection (c) do  
29 not affect the boundaries of the single-member districts.

30 (e) When the boundaries of the single-member districts are  
31 changed, a director in office on the effective date of the change,  
32 or elected or appointed before the effective date of the change to a  
33 term of office beginning on or after the effective date of the  
34 change, is entitled to serve the term or the remainder of the term  
35 in the single-member district to which elected or appointed even

1 though the change in boundaries places the person's residence  
2 outside the single-member district for which the person was elected  
3 or appointed. (Acts 70th Leg., R.S., Ch. 429, Secs. 7(d), (e), (f),  
4 (g), (h).)

5 Source Law

6 (d) The district is divided into five numbered,  
7 single-member districts for electing directors. The  
8 board may revise the single-member districts as  
9 necessary or appropriate.

10 (e) The board shall revise the single-member  
11 districts as soon as practicable after the publication  
12 of each federal decennial census as the board  
13 considers appropriate to reflect population changes.

14 (f) When the board revises the single-member  
15 districts under Subsection (e) of this section, the  
16 board shall place two of the districts entirely within  
17 the boundaries of the City of Austin, as they exist at  
18 that time. Changes in the boundaries of the City of  
19 Austin between revisions of the single-member  
20 districts under Subsection (e) of this section do not  
21 affect the boundaries of the single-member districts.

22 (g) Notwithstanding Subsection (f) of this  
23 section, the two single-member districts within the  
24 boundaries of the City of Austin may include  
25 unincorporated areas and other municipalities that are  
26 surrounded wholly or partly by the boundaries of the  
27 City of Austin if the areas or municipalities are  
28 noncontiguous to the territory of any other  
29 single-member district.

30 (h) When the boundaries of the single-member  
31 districts are changed, a director in office on the  
32 effective date of the change, or elected or appointed  
33 before the effective date of the change to a term of  
34 office beginning on or after the effective date of the  
35 change, is entitled to serve the term or the remainder  
36 of the term in the single-member district to which  
37 elected or appointed even though the change in  
38 boundaries places the person's residence outside the  
39 single-member district for which the person was  
40 elected or appointed.

41 Revisor's Note  
42 (End of Subchapter)

43 Section 7(a), Chapter 429, Acts of the 70th  
44 Legislature, Regular Session, 1987, in part provides  
45 procedures for filling a vacancy in the office of an  
46 initial director, and Section 7(b) of that act  
47 requires initial directors to serve until directors  
48 are elected at the first election under the act. The  
49 revised law omits the provisions as executed. The  
50 omitted law reads:

51 (a) . . . If a director appointed by  
52 the Texas Water Commission fails to qualify  
53 for office, the remaining directors shall

1 appoint someone to fill the vacancy for the  
2 unexpired term. If at any time the number  
3 of qualified directors is less than three  
4 because of the failure or refusal of one or  
5 more directors to qualify or serve, because  
6 of death or incapacitation, or for any other  
7 reason, the Texas Water Commission shall  
8 appoint the necessary number of directors  
9 to fill all vacancies on the board.

10 (b) The initial directors shall serve  
11 until the directors elected at the election  
12 to be held on the third Saturday in May,  
13 1988, have qualified for office.

14 [Sections 8802.054-8802.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Revised Law

17 Sec. 8802.101. GENERAL POWERS AND DUTIES. Except as  
18 otherwise provided by this chapter, the district has the powers and  
19 duties provided by Chapter 36, Water Code, for groundwater  
20 conservation districts. (Acts 70th Leg., R.S., Ch. 429, Sec.  
21 2(a)(1).)

22 Source Law

23 Sec. 2. (a)(1) The district has the powers,  
24 duties, authority, and responsibilities provided by  
25 Chapter 52, Water Code, for underground water  
26 conservation districts, except as modified in this  
27 section.

28 Revisor's Note

29 (1) Section 2(a)(1), Chapter 429, Acts of the  
30 70th Legislature, Regular Session, 1987, refers to the  
31 "powers" and "authority" of the Barton Springs-Edwards  
32 Aquifer Conservation District. The revised law omits  
33 the reference to "authority" as included in the  
34 meaning of "powers."

35 (2) Section 2(a)(1), Chapter 429, Acts of the  
36 70th Legislature, Regular Session, 1987, refers to the  
37 "duties" and "responsibilities" of the Barton  
38 Springs-Edwards Aquifer Conservation District. The  
39 revised law omits the reference to "responsibilities"  
40 as included in the meaning of "duties."

41 (3) Section 2(a)(1), Chapter 429, Acts of the  
42 70th Legislature, Regular Session, 1987, refers to  
43 provisions of "Chapter 52, Water Code," that regulate

1 "underground water conservation districts." Chapter  
2 933, Acts of the 74th Legislature, Regular Session,  
3 1995, repealed Chapter 52, Water Code, and enacted  
4 Chapter 36, Water Code, which now regulates  
5 "groundwater conservation districts." Throughout  
6 this chapter, the revised law changes references to  
7 "Chapter 52, Water Code," or a portion of that chapter,  
8 and references to "underground water conservation  
9 districts" accordingly.

10 Revised Law

11 Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION OF  
12 LAND PROHIBITED. The district may not adopt rules regulating  
13 zoning or the subdivision of land. (Acts 70th Leg., R.S., Ch. 429,  
14 Sec. 2(a)(2).)

15 Source Law

16 (2) The district may not adopt rules  
17 regulating zoning or the subdivision of land.

18 Revised Law

19 Sec. 8802.103. IMPOSITION OF TAXES. (a) The district may  
20 impose an ad valorem tax as provided by Subchapter G, Chapter 36,  
21 Water Code, only if:

22 (1) the user fee authorized by this subchapter is held  
23 unconstitutional by the Texas Supreme Court; and

24 (2) a majority of the voters approve the tax at an  
25 election held in the district.

26 (b) The district may impose the ad valorem tax at a rate not  
27 to exceed three cents on each \$100 of appraised value. (Acts 70th  
28 Leg., R.S., Ch. 429, Sec. 2(b).)

29 Source Law

30 (b)(1) Except as provided by Subdivision (2) of  
31 this subsection, the district does not have the  
32 authority to levy taxes under Section 52.351, Water  
33 Code.

34 (2) If the user fee authorized by this  
35 section is held unconstitutional by the Texas Supreme  
36 Court, the district may levy a property tax as provided  
37 by Sections 52.351 through 52.354, Water Code. The  
38 property tax may be set in an amount of not more than  
39 three cents for each \$100 valuation of property. An  
40 election must be called and held in the district to



1 approve the property tax and a majority of the  
2 qualified voters voting at the election must approve  
3 the tax before the tax can be levied and collected.

4 Revisor's Note

5 (1) Sections 2(b)(1) and (2), Chapter 429, Acts  
6 of the 70th Legislature, Regular Session, 1987, refer  
7 to the "levy" of taxes and to their collection. The  
8 revised law substitutes "impose" for "levy" and omits  
9 the reference to "collection" because "impose" is the  
10 term generally used in Title 1, Tax Code, and the term  
11 includes both the levy and collection of a tax.

12 (2) Section 2(b)(2), Chapter 429, Acts of the  
13 70th Legislature, Regular Session, 1987, authorizes  
14 the Barton Springs-Edwards Aquifer Conservation  
15 District to impose a "property tax." The revised law  
16 substitutes "ad valorem tax" for "property tax"  
17 because "ad valorem" is the term most frequently used  
18 in relation to a property tax.

19 (3) Section 2(b)(2), Chapter 429, Acts of the  
20 70th Legislature, Regular Session, 1987, refers to  
21 "qualified" voters. The revised law omits the quoted  
22 language as unnecessary in this context because  
23 Chapter 11, Election Code, governs eligibility to vote  
24 in an election in this state and allows only  
25 "qualified" voters to vote in an election.

26 Revised Law

27 Sec. 8802.104. USER FEES. (a) The board by rule may impose  
28 reasonable fees on each well for which the district issues a permit  
29 and which is not exempt from regulation by the district.

30 (b) The board may assess the fees on an annual basis  
31 according to:

- 32 (1) the size of column pipe used in the well;  
33 (2) the production capacity of the well; or  
34 (3) the actual, authorized, or anticipated pumpage of  
35 the well.

36 (c) The board may use fees as both a regulatory mechanism

1 and a revenue-producing mechanism.

2 (d) The board shall adopt rules relating to:

3 (1) the rates of fees;

4 (2) the manner and form for filing reports of fees; and

5 (3) the manner of collecting fees.

6 (e) The district may use money collected from fees to:

7 (1) manage and operate the district; and

8 (2) pay all or part of the principal of and interest on  
9 district bonds or notes. (Acts 70th Leg., R.S., Ch. 429, Secs.  
10 2(c)(1) (part), (2), (3).)

11 Source Law

12 (c)(1) The board of directors of the district  
13 . . . has by rule the authority to impose reasonable  
14 fees on each well for which a permit is issued by the  
15 district and which is not exempted from regulation by  
16 the district. The fees may be assessed on an annual  
17 basis, based upon the size of column pipe used in the  
18 wells, the production capacity of the well, or actual,  
19 authorized, or anticipated pumpage. The board may  
20 utilize fees as both a regulatory mechanism and a  
21 revenue-producing mechanism.

22 (2) The board shall adopt rules relating  
23 to the rates of fees, the manner and form for filing  
24 reports of fees, and the manner of collection of fees.

25 (3) The money collected from fees may be  
26 used by the district to manage and operate the district  
27 and to pay all or part of the principal of and interest  
28 on district bonds or notes.

29 Revised Law

30 Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED. Each year  
31 the board may assess against the City of Austin a water use fee in an  
32 amount not to exceed 40 percent of the total funding of the district  
33 received from water use fees assessed against Austin and other  
34 nonexempt users in that year. (Acts 70th Leg., R.S., Ch. 429, Sec.  
35 2(f)(2).)

36 Source Law

37 (2) The board may assess the City of  
38 Austin, as a water use fee, each year an amount not to  
39 exceed 40 percent of the total funding of the district  
40 received from water use fees assessed against Austin  
41 and other nonexempt users.

42 Revised Law

43 Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT WELLS.  
44 Notwithstanding the 25,000-gallon production capacity restriction

1 provided by Section 36.117(b)(1), Water Code, a well in the  
2 district is exempt under Section 36.117, Water Code, only if the  
3 production capacity of the well is 10,000 gallons per day or less.  
4 (Acts 70th Leg., R.S., Ch. 429, Sec. 2(d)(1).)

5 Source Law

6 (d)(1) The production capacity for exempt wells  
7 within the district, as specified in Section 52.170,  
8 Water Code, is hereby reduced from 25,000 gallons per  
9 day to 10,000 gallons per day.

10 Revisor's Note

11 Section 2(d)(2), Chapter 429, Acts of the 70th  
12 Legislature, Regular Session, 1987, refers to the  
13 number of households supplied by an exempt well  
14 pursuant to Subdivision (2), Section 52.170, Water  
15 Code. Chapter 933, Acts of the 74th Legislature,  
16 Regular Session, 1995, repealed Section 52.170 and  
17 enacted Section 36.117, Water Code. The revised law  
18 omits Section 2(d)(2) because Chapter 966, Acts of the  
19 77th Legislature, Regular Session, 2001, amended  
20 Section 36.117 to eliminate the well exemption based  
21 on the number of households supplied by the well. The  
22 omitted law reads:

23 (2) The number of households  
24 that may be supplied by an exempt domestic  
25 well in the district, pursuant to  
26 Subdivision (2), Section 52.170, Water  
27 Code, is hereby reduced to five or less.

28 Revised Law

29 Sec. 8802.107. ENFORCEMENT. (a) If it appears that a  
30 person has violated, is violating, or is threatening to violate  
31 Chapter 36, Water Code, or a district permit, rule, or order, the  
32 district may file a civil suit in a district court of the county in  
33 which the violation occurs to obtain:

34 (1) injunctive relief to restrain the person from  
35 continuing the violation;

36 (2) a civil penalty of not less than \$50 or more than  
37 \$1,000 for each violation and for each day of violation; or

38 (3) both injunctive relief and a civil penalty.

1 (b) On application for injunctive relief under Subsection  
2 (a)(1) and a finding that a person is violating or threatening to  
3 violate this chapter or a district permit, rule, or order, the  
4 district court shall grant injunctive relief as the facts may  
5 warrant.

6 (c) Any legal action initiated under this section to obtain  
7 penalties must be authorized by a resolution of the board or by the  
8 district's general manager, if authorized by the board.

9 (d) In a civil suit filed under this section, the district:

- 10 (1) is not required to post bond or other security; and  
11 (2) may recover reasonable attorney's fees and expert  
12 witness's fees.

13 (e) The remedies provided by this section are in addition to  
14 any remedies provided by other law. (Acts 70th Leg., R.S., Ch. 429,  
15 Sec. 2(e).)

16 Source Law

17 (e) In addition to other remedies for violations  
18 of permits, rules, or orders, the district has the  
19 power to enforce its permits, orders, and rules as  
20 follows:

21 (1) If it appears that a person has  
22 violated or is violating any provision of Chapter 52,  
23 Water Code, or any order, permit, or rule of the  
24 district, the district may file civil suit in a  
25 district court of the county in which the violation  
26 occurs to obtain:

27 (A) injunctive relief to restrain the  
28 person from continuing the violation;

29 (B) assessment and recovery of a  
30 civil penalty of not less than \$50 or more than \$1,000  
31 for each violation and for each day of violation; or

32 (C) both injunctive relief and civil  
33 penalties.

34 (2) Upon application for injunctive relief  
35 and a finding that a person is violating or threatening  
36 to violate any provision of this Act or any rule,  
37 permit, or other order of the district, the district  
38 court shall grant injunctive relief as the facts may  
39 warrant.

40 (3) Initiation of legal action to obtain  
41 penalties shall be authorized by resolution of the  
42 board of directors or by the district's general  
43 manager, if authorized by the board.

44 (4) The district is not required to post  
45 bond or other security with the court under this  
46 section and may recover reasonable attorney's fees and  
47 expert witness's fees in suits brought under this  
48 section.

49 Revised Law

50 Sec. 8802.108. BORROWING MONEY. (a) The district may

1 borrow money as provided by Sections 49.152-49.154, Water Code.

2 (b) The district may not borrow money for a period of more  
3 than one year. (Acts 70th Leg., R.S., Ch. 429, Sec. 9.)

4 Source Law

5 Sec. 9. The district may borrow money for  
6 purposes of the district authorized by law according  
7 to the provisions of Subchapter J, Chapter 51, Water  
8 Code. The district may not borrow money for a period  
9 of more than one year.

10 Revisor's Note

11 Section 9, Chapter 429, Acts of the 70th  
12 Legislature, Regular Session, 1987, authorizes the  
13 Barton Springs-Edwards Aquifer Conservation District  
14 to borrow money "according to the provisions of  
15 Subchapter J, Chapter 51, Water Code." Chapter 715,  
16 Acts of the 74th Legislature, Regular Session, 1995,  
17 repealed Subchapter J, Chapter 51, Water Code, and  
18 enacted the substance of that subchapter as Sections  
19 49.152-49.154, Water Code. Those sections provide  
20 authority for a "district" to borrow money. For  
21 purposes of Chapter 49, Water Code, however,  
22 "district" is defined to exclude any water district  
23 governed by Chapter 36 unless otherwise provided by a  
24 special law creating or amending the law governing the  
25 district. No special law regarding the Barton  
26 Springs-Edwards Aquifer Conservation District  
27 specifically provides that any part of Chapter 49  
28 applies to the district; however, at the time the  
29 district was created, Subchapter J, Chapter 51, Water  
30 Code, had not yet been repealed and replaced by  
31 Sections 49.152-49.154, Water Code. The power to  
32 borrow money is common in a water district's operation,  
33 and there is no evidence that the legislature intended  
34 to eliminate that power of the district. Because the  
35 source law expressly provides the district the power  
36 to borrow money under provisions now duplicated in

1 Sections 49.152-49.154, Water Code, it is clear that  
2 despite the definition of "district" in Chapter 49,  
3 Water Code, those sections apply to the district  
4 instead of the repealed subchapter cited by the source  
5 law. The revised law is drafted accordingly.

6 [Sections 8802.109-8802.150 reserved for expansion]

7 SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

8 Revised Law

9 Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED. Approval  
10 of inclusion of land in the district that is located in the  
11 corporate limits or extraterritorial jurisdiction of a  
12 municipality does not require the municipality's approval under  
13 Subchapter B, Chapter 42, Local Government Code. (Acts 70th Leg.,  
14 R.S., Ch. 429, Sec. 3.)

15 Source Law

16 Sec. 3. Approval of inclusion of land within the  
17 district that is located within the corporate limits  
18 or extraterritorial jurisdiction of a municipality  
19 does not require approval by the municipality pursuant  
20 to the Municipal Annexation Act (Article 970a,  
21 Vernon's Texas Civil Statutes).

22 Revisor's Note

23 Section 3, Chapter 429, Acts of the 70th  
24 Legislature, Regular Session, 1987, refers to "the  
25 Municipal Annexation Act (Article 970a, Vernon's Texas  
26 Civil Statutes)." That statute was codified in 1987 in  
27 Subchapter B, Chapter 42, Local Government Code. The  
28 revised law is drafted accordingly.

29 Revised Law

30 Sec. 8802.152. EXCLUSION OF COUNTY AREA. (a) The residents  
31 of any county area of the district, on petition of at least 15  
32 percent of the registered voters in that county area, may request  
33 that the board, in conjunction with the next regularly scheduled  
34 directors' election, hold a referendum to determine whether to  
35 exclude that county area from the district.

36 (b) The petition must be submitted to the board not later  
37 than the 45th day before the date of the election.

1 (c) The board shall call and add a referendum under this  
2 section to the ballot of the May directors' election in the county  
3 area.

4 (d) Exclusion of a county area from the district requires  
5 approval by a majority of the voters voting on the proposition: "The  
6 \_\_\_\_\_ county area of the Barton Springs-Edwards  
7 Aquifer Conservation District shall be excluded from the Barton  
8 Springs-Edwards Aquifer Conservation District."

9 (e) The exclusion of any county area from the district is  
10 effective on June 1 following approval of the referendum. On and  
11 after that date:

12 (1) the boundaries of the district shall be redefined  
13 to exclude the county area;

14 (2) the imposition and collection of district taxes or  
15 user fees in the county area shall cease;

16 (3) the offices held by any directors elected from the  
17 county area shall terminate; and

18 (4) any other matters provided by law or by agreement  
19 with any person affecting the authority and operations of the  
20 district shall be automatically redesignated and redefined to be  
21 consistent with the exclusion of the county area. (Acts 70th Leg.,  
22 R.S., Ch. 429, Sec. 10(a).)

23 Source Law

24 Sec. 10. (a) The residents of any county area  
25 of the district may, on petition of 15 percent of the  
26 registered voters within the county area of the  
27 district, request that the board of directors hold a  
28 referendum, in conjunction with the next regularly  
29 scheduled directors' election, to determine whether or  
30 not that county area will remain within the district.  
31 The petition must be submitted to the board of  
32 directors not later than the 45th day before the date  
33 of the election. The referendum shall be called and  
34 added to the ballot of the May directors' election in  
35 the county area. Approval of the withdrawal must be by  
36 the affirmative vote of a majority of the voters voting  
37 on the proposition: "The \_\_\_\_\_ county  
38 area of the Barton Springs-Edwards Aquifer  
39 Conservation District shall be withdrawn from the  
40 Barton Springs-Edwards Aquifer Conservation  
41 District." The withdrawal of any county area voting to  
42 withdraw from the district is effective on June 1  
43 following the referendum. On and after that date, the  
44 boundaries of the district shall be redefined to  
45 exclude the county area; the levy and collection of the

1 district's taxes or user fees within the county area  
2 shall cease; the offices held by the directors elected  
3 from the county area shall terminate; and the other  
4 matters provided by law or by agreement with any person  
5 affecting the authority and operations of the district  
6 shall be automatically redesignated and redefined to  
7 be consistent with the withdrawal of the county area.

8 Revisor's Note  
9 (End of Subchapter)

10 Section 10(b), Chapter 429, Acts of the 70th  
11 Legislature, Regular Session, 1987, prohibits a  
12 petition to exclude a county area from the district  
13 before the third anniversary of the district's  
14 confirmation election. The revised law omits the  
15 provision as executed. The omitted law reads:

16 (b) A county area may not petition  
17 for exclusion from the district before the  
18 third anniversary of the confirmation  
19 election at which the creation of the  
20 district was confirmed.

21 [Sections 8802.153-8802.200 reserved for expansion]

22 SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

23 Revised Law

24 Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED. The  
25 district may not be converted to any other type of conservation and  
26 reclamation district. (Acts 70th Leg., R.S., Ch. 429, Sec. 8.)

27 Source Law

28 Sec. 8. The district may not be converted to any  
29 other type of conservation and reclamation district  
30 under any provision of law.

31 Revisor's Note

32 Section 8, Chapter 429, Acts of the 70th  
33 Legislature, Regular Session, 1987, prohibits  
34 conversion of the district "under any provision of  
35 law." The revised law omits the quoted language as  
36 unnecessary because the district has only those powers  
37 provided by law, and the prohibition is clear by its  
38 terms.

39 Revised Law

40 Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION. (a) The  
41 board shall call a dissolution election if:



1 (1) the board receives a petition signed by a number of  
2 registered voters in the district equal to at least 30 percent of  
3 the voters in the district's most recent election; and

4 (2) the district has no outstanding bonds or other  
5 long-term indebtedness.

6 (b) The board shall dissolve the district if at least  
7 two-thirds of the voters voting in the election vote in favor of  
8 dissolving the district. (Acts 70th Leg., R.S., Ch. 429, Sec. 6.)

9 Source Law

10 Sec. 6. Provided it has no outstanding bonds or  
11 other long-term indebtedness, the district may be  
12 dissolved by a vote of two-thirds of the voters in an  
13 election called for that purpose voting in favor of  
14 dissolving the district. A dissolution election shall  
15 be called by the board following receipt of a petition  
16 signed by a number of registered voters in the district  
17 equivalent to 30 percent of the voters in the  
18 district's most recent election.

19 Revisor's Note  
20 (End of Chapter)

21 (1) Section 1, Chapter 429, Acts of the 70th  
22 Legislature, Regular Session, 1987, in part states  
23 legislative findings relating to compliance with  
24 certain requirements of the Texas Constitution, other  
25 laws of this state, and rules and procedures of the  
26 legislature and provides that the legislature  
27 "affirms, ratifies, and validates" creation of the  
28 Barton Springs-Edwards Aquifer Conservation District.  
29 The revised law omits these provisions as executed.  
30 The omitted law reads:

31 Sec. 1. The legislature finds that  
32 proper and legal notice of the intention to  
33 introduce this Act, setting forth the  
34 general substance of this Act, has been  
35 published as provided by law, and the notice  
36 and a copy of this Act have been furnished  
37 to all persons, agencies, officials, or  
38 entities to which they are required to be  
39 furnished by the constitution and laws of  
40 this state, including the Governor of  
41 Texas, who has submitted the notice and Act  
42 to the Texas Water Commission. Also, the  
43 legislature finds that the Texas Water  
44 Commission has filed its recommendations  
45 relating to this Act with the governor,  
46 lieutenant governor, and speaker of the  
47 house of representatives within the

1 required time. The general law relating to  
2 consent by political subdivisions to the  
3 creation of conservation and reclamation  
4 districts and the inclusion of land in those  
5 districts has been complied with, and all  
6 requirements of the constitution and laws  
7 of this state and the rules and procedures  
8 of the legislature with respect to the  
9 notice, introduction, and passage of this  
10 Act have been fulfilled and  
11 accomplished. . . . subject only to a  
12 confirmation election of the voters in the  
13 district; and as modified herein, the  
14 legislature hereby affirms, ratifies, and  
15 validates creation of the district as an  
16 underground water conservation district  
17 under Chapter 52, Water Code, pursuant to  
18 Texas Water Commission orders dated April  
19 9, 1986; August 15, 1986; and November 19,  
20 1986.

21 (2) Section 4, Chapter 429, Acts of the 70th  
22 Legislature, Regular Session, 1987, provides for a  
23 confirmation election for the district, and Section 5  
24 of that act authorizes local option annexation  
25 elections to be held on the date of the district's  
26 confirmation election. The revised law omits the  
27 provisions as executed. The omitted law reads:

28 Sec. 4. A confirmation election  
29 shall be held to confirm or deny the  
30 district's creation. If approved by a  
31 majority vote, the district as a whole is  
32 confirmed; if rejected by a majority of  
33 those voting, the district is not confirmed  
34 and no subsequent confirmation election may  
35 be held during the year following the  
36 election date.

37 Sec. 5. The service areas of  
38 Creedmoor Maha Water Supply Corporation,  
39 Goforth Water Supply Corporation, or any  
40 other water supply utility relying upon the  
41 aquifer for greater than 50 percent of its  
42 water supply but having a service area not  
43 within the management area defined by the  
44 Texas Water Commission's August 15, 1986,  
45 order, may be annexed into the district on a  
46 local option basis as provided by this  
47 section. By resolution, the governing body  
48 of the water utility may request that a  
49 local option annexation election be held  
50 within the boundaries of its service area on  
51 the date of the district's confirmation  
52 election. Along with the resolution, the  
53 utility shall supply to the board a boundary  
54 description of its service area, sufficient  
55 to serve as election boundaries and  
56 district boundaries, and a deposit of funds  
57 to reimburse the district for the cost of  
58 conducting the election in the utility's  
59 service area. If approved by a majority of  
60 the voters in the utility service area, the  
61 area shall be included within the district

1 for all purposes for so long as it continues  
2 to rely on the aquifer as a source of water  
3 supply.

4 (3) Section 12, Chapter 429, Acts of the 70th  
5 Legislature, Regular Session, 1987, provides that each  
6 provision of the act is severable. The revised law  
7 omits the provision because it duplicates Section  
8 311.032, Government Code (Code Construction Act),  
9 applicable to the revised law, which states that a  
10 provision of a statute is severable from each other  
11 provision of a statute that can be given effect. The  
12 omitted law reads:

13 Sec. 12. If any section, sentence,  
14 clause, or part of this Act shall, for any  
15 reason, be held invalid, such invalidity  
16 shall not affect the remaining portions of  
17 the Act, and it is hereby declared to be the  
18 intention of this legislature to have  
19 passed each section, sentence, clause, or  
20 part irrespective of the fact that any other  
21 section, sentence, clause, or part may be  
22 declared invalid.

23 CHAPTER 9004. BACLIFF MUNICIPAL UTILITY DISTRICT  
24 OF GALVESTON COUNTY, TEXAS

25 SUBCHAPTER A. GENERAL PROVISIONS

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30 [Sections 9004.005-9004.050 reserved for expansion]

31 SUBCHAPTER B. POWERS AND DUTIES

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1 CHAPTER 9004. BACLIFF MUNICIPAL UTILITY DISTRICT

2 OF GALVESTON COUNTY, TEXAS

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 9004.001. DEFINITIONS. In this chapter:

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

8 (2) "District" means the Bacliff Municipal Utility  
9 District of Galveston County, Texas. (V.A.C.S. Art. 8280-286, Sec.  
10 1 (part); New.)

11 Source Law

12 Sec. 1. . . . a [conservation and reclamation]  
13 district . . . to be known as "Bacliff Municipal  
14 Utility District of Galveston County, Texas,"  
15 hereinafter referred to as the "District," and . . . .

16 Revisor's Note

17 The definition of "board" is added to the revised  
18 law for drafting convenience and to eliminate  
19 frequent, unnecessary repetition of the substance of  
20 the definition.

21 Revised Law

22 Sec. 9004.002. NATURE OF DISTRICT. The Bacliff Municipal  
23 Utility District of Galveston County, Texas, is:

24 (1) a conservation and reclamation district under  
25 Section 59, Article XVI, Texas Constitution; and

26 (2) a water control and improvement district.  
27 (V.A.C.S. Art. 8280-286, Secs. 1 (part), 6 (part).)

28 Source Law

29 Sec. 1. Under and pursuant to the provisions of  
30 Section 59 of Article XVI, Constitution of Texas, a  
31 conservation and reclamation district is hereby  
32 created and incorporated in Galveston County, Texas,  
33 to be known as "Bacliff Municipal Utility District of  
34 Galveston County, Texas," . . . .

35 Sec. 6. . . . Upon the adoption of this Act,  
36 said District shall be a fully created and established  
37 water control and improvement district. . . .

38 Revisor's Note

39 Sections 1 and 6, V.A.C.S. Article 8280-286,

1 refers to the creation, incorporation, or  
2 establishment of the district. The revised law omits  
3 "created and incorporated" and "fully created and  
4 established" because those terms were executed on the  
5 day Article 8280-286 was enacted.

6 Revised Law

7 Sec. 9004.003. LEGISLATIVE DECLARATION AND FINDINGS. (a)

8 The legislature declares that the district is:

9 (1) essential to accomplish the purposes of Section  
10 59, Article XVI, Texas Constitution; and

11 (2) a municipal corporation.

12 (b) The legislature finds that:

13 (1) the district is created to serve a public use and  
14 benefit; and

15 (2) all land and other property included in the  
16 district are benefited by the creation of the district and by the  
17 improvements that the district purchases, constructs, or otherwise  
18 acquires. (V.A.C.S. Art. 8280-286, Secs. 6 (part), 7.)

19 Source Law

20 Sec. 6. It is hereby found and determined that  
21 all of the lands and other property included within the  
22 District are, and will be, benefited by the creation of  
23 the District and by the improvements that the District  
24 will purchase, construct, or otherwise acquire, and  
25 that the District is created to serve a public use and  
26 benefit. . . .

27 Sec. 7. The Legislature hereby exercises the  
28 authority conferred upon it by Section 59 of Article  
29 XVI, Constitution of Texas, and declares that the  
30 District created by this Act is essential to the  
31 accomplishment of the purposes of said constitutional  
32 provisions; finds that all of the land and other  
33 property included therein are, and will be, benefited  
34 thereby and by the improvements that the District will  
35 purchase, construct, or otherwise acquire; and  
36 declares the District to be a governmental agency, a  
37 body politic and corporate, and a municipal  
38 corporation.

39 Revisor's Note

40 (1) Section 6, V.A.C.S. Article 8280-286,  
41 states that "[i]t is hereby found and determined" that  
42 the creation of the district will benefit property  
43 included within the district. The revised law omits

1 "determined" because, in context, "determined" is  
2 included in the meaning of "found."

3 (2) Section 7, V.A.C.S. Article 8280-286,  
4 refers to the legislature exercising its authority  
5 under Section 59, Article XVI, Texas Constitution,  
6 which authorizes the legislature to create  
7 conservation and reclamation districts. The revised  
8 law omits that reference as executed.

9 (3) Section 7, V.A.C.S. Article 8280-286,  
10 declares the district to be "a governmental agency"  
11 and "a body politic and corporate." The revised law  
12 omits the quoted language because it duplicates a  
13 portion of Section 59(b), Article XVI, Texas  
14 Constitution, which provides that a conservation and  
15 reclamation district is a governmental agency and a  
16 body politic and corporate.

17 Revised Law

18 Sec. 9004.004. DISTRICT TERRITORY. The district is  
19 composed of the territory described by Section 1, Chapter 244, Acts  
20 of the 58th Legislature, Regular Session, 1963 (Article 8280-286,  
21 Vernon's Texas Civil Statutes), as that territory may have been  
22 modified under:

23 (1) Chapter 3A, Title 128, Revised Statutes, before  
24 August 30, 1971;

25 (2) Subchapter O, Chapter 51, Water Code;

26 (3) Subchapter J, Chapter 49, Water Code; or

27 (4) other law. (V.A.C.S. Art. 8280-286, Sec. 4; New.)

28 Source Law

29 Sec. 4. Land may be added to said District in  
30 the manner now provided by Chapter 3A, Title 128,  
31 Revised Civil Statutes of Texas, 1925, as amended.

32 Revisor's Note

33 The revised law does not revise the statutory  
34 language describing the territory of the district to  
35 avoid the lengthy recitation of the description and

1 because that description may not be accurate on the  
2 effective date of the revision or at the time of a  
3 later reading. For the reader's convenience, the  
4 revised law adds references to the statutory  
5 description of the district's territory and to  
6 statutory authority to change the district's territory  
7 under Subchapter J, Chapter 49, Water Code, applicable  
8 to the district by operation of Sections 49.001 and  
9 49.002 of that code. The revised law also includes a  
10 reference to authority to change the district's  
11 territory under general law. When the district was  
12 created in 1963, this authority was located in Chapter  
13 3A, Title 128, Revised Statutes. The pertinent parts  
14 of that chapter were codified as Subchapter O, Chapter  
15 51, Water Code, by Section 1, Chapter 58, Acts of the  
16 62nd Legislature, Regular Session, 1971. Section 2,  
17 Chapter 715, Acts of the 74th Legislature, Regular  
18 Session, 1995, enacted similar provisions as  
19 Subchapter J, Chapter 49, Water Code. Chapter 49  
20 applies to the district by operation of Sections  
21 49.001 and 49.002 of that code. The revised law also  
22 includes a reference to the general authority of the  
23 legislature to enact other laws to change the  
24 district's territory.

25 [Sections 9004.005-9004.050 reserved for expansion]

26 SUBCHAPTER B. POWERS AND DUTIES

27 Revised Law

28 Sec. 9004.051. GENERAL POWERS AND DUTIES. The district has  
29 all the rights, powers, privileges, and duties conferred and  
30 imposed by a general law of this state on a water control and  
31 improvement district created under Section 59, Article XVI, Texas  
32 Constitution, including Chapters 49 and 51, Water Code. (V.A.C.S.  
33 Art. 8280-286, Sec. 2 (part).)





1 and improvement districts, the district has certain  
2 express rights, powers, privileges, and duties. The  
3 revised law omits the quoted language because the  
4 language does not add to the clear meaning of the law.  
5 The absence of the phrase does not imply that the  
6 expressed powers limit any other general powers.

7 (4) Section 2, V.A.C.S. Article 8280-286,  
8 refers to "Chapter 3A of Title 128, Revised Civil  
9 Statutes of Texas, 1925, together with all amendments  
10 thereto and additions thereto." In 1971, the parts of  
11 Chapter 3A, Title 128, Revised Statutes, that concern  
12 water control and improvement districts were codified  
13 as Chapter 51, Water Code, by Section 1, Chapter 58,  
14 Acts of the 62nd Legislature, Regular Session, 1971.  
15 In 1995, Section 2, Chapter 715, Acts of the 74th  
16 Legislature, Regular Session, 1995, enacted Chapter  
17 49, Water Code. Chapter 49 applies to the district by  
18 operation of Sections 49.001 and 49.002 of that code.  
19 The revised law substitutes for the reference to  
20 "Chapter 3A of Title 128, Revised Civil Statutes of  
21 Texas, 1925" a reference to Chapters 49 and 51, Water  
22 Code, to reflect these changes. The revised law omits  
23 the reference to "all amendments thereto and additions  
24 thereto" for the reason stated in Revisor's Note (1) of  
25 this section.

26 (5) Section 2, V.A.C.S. Article 8280-286,  
27 refers to certain powers granted by Chapter 3A, Title  
28 128, Revised Statutes, and by Articles 7880-90a and  
29 7880-139, Vernon's Texas Civil Statutes. The revised  
30 law omits those references as unnecessary because each  
31 of the provisions, under which the powers were  
32 granted, were included in the 1971 codification of  
33 Chapter 51, Water Code, and now are contained in  
34 Chapter 51, Water Code, or have been replaced by

1 provisions of Chapter 49, Water Code, both of which  
2 apply to the district. The omitted law reads:

3           Sec. 2. . . . [the District shall  
4 have . . . all powers] . . . including all  
5 powers and authority relating to sanitary  
6 sewer systems and the issuance of bonds  
7 therefor as authorized by and provided in  
8 said Chapter, including the power and  
9 authority to issue tax bonds, revenue bonds  
10 or tax-revenue bonds as authorized by and  
11 provided in Article 7880-90a, Vernon's  
12 Texas Civil Statutes, as amended.  
13 Provided, however, that before issuing any  
14 construction bonds said District shall  
15 submit plans and specifications therefor to  
16 the Texas Water Commission (successor to  
17 State Board of Water Engineers) for  
18 approval in the manner required by Acts of  
19 the 57th Legislature, Regular Session,  
20 Chapter 336, 1961, codified in Vernon's  
21 Annotated Civil Statutes of Texas as  
22 Article 7880-139, and said District's  
23 project and improvements during the course  
24 of construction shall be subject to  
25 inspection in the manner provided by said  
26 Article 7880-139. . . .

27                           Revised Law

28           Sec. 9004.052. TAX METHOD. (a) The board shall use the ad  
29 valorem plan of taxation.

30           (b) The board is not required to hold a hearing on the  
31 adoption of a plan of taxation. (V.A.C.S. Art. 8280-286, Sec. 6  
32 (part).)

33                           Source Law

34           Sec. 6. . . . The ad valorem basis or plan of  
35 taxation shall be used by said District, and it shall  
36 not be necessary for the Board of Directors to hold a  
37 hearing on the adoption of a plan of taxation.

38                           Revised Law

39           Sec. 9004.053. LIMITATION ON EMINENT DOMAIN AUTHORITY. The  
40 district may not exercise the power of eminent domain outside the  
41 district. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

42                           Source Law

43           Sec. 2. . . . provided, however, that the  
44 exercise of the power of eminent domain shall not  
45 extend beyond the boundaries of the District. . . .

46                           Revised Law

47           Sec. 9004.054. DURATION OF CONTRACT FOR WATER PURCHASE OR  
48 SALE. A district contract for the purchase or sale of water may not

1 exceed 40 years. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

2 Source Law

3 Sec. 2. . . . The powers of its Board of  
4 Directors shall include, [but not be limited to, the  
5 right to enter into] contracts [on behalf of said  
6 District for the purchase and sale, or either, of  
7 water] for such periods of time, not exceeding forty  
8 (40) years, and on such terms and conditions as its  
9 Board of Directors may deem desirable. . . .

10 Revisor's Note

11 (1) Section 2, V.A.C.S. Article 8280-286,  
12 provides that the authority of the board includes, but  
13 is not limited to, the right to enter into certain  
14 contracts. The revised law omits the provision  
15 regarding contracts because it duplicates authority  
16 provided by Section 49.213(c), Water Code, applicable  
17 to the revised law by operation of Sections 49.001 and  
18 49.002, Water Code. The revised law omits "but not be  
19 limited to" because under Section 311.005(13),  
20 Government Code (Code Construction Act), applicable to  
21 the revised law, "includes" and "including" are terms  
22 of enlargement and not limitation and do not create a  
23 presumption that components not expressed are  
24 excluded. The omitted law reads:

25 Sec. 2. . . . [shall include] but  
26 not be limited to, the right to enter into  
27 [contracts] on behalf of said District for  
28 the purchase and sale, or either, of water  
29 . . . .

30 (2) Section 2, V.A.C.S. Article 8280-286,  
31 authorizes the district to enter into certain  
32 contracts "on such terms and conditions as its Board of  
33 Directors may deem desirable." The revised law omits  
34 that provision because it duplicates the authority  
35 provided by Sections 49.213 and 49.2261, Water Code,  
36 applicable to the revised law by operation of Sections  
37 49.001 and 49.002, Water Code.

38 Revised Law

39 Sec. 9004.055. INSTALLATION OF STREET LIGHTS. (a) On

1 approval by a majority of the voters of the district voting at an  
2 election held for that purpose, the district may:

3 (1) install, operate, and maintain street lighting in  
4 a public utility easement or public right-of-way inside the  
5 district; and

6 (2) assess the cost of the installation, operation,  
7 and maintenance of the street lighting as an additional charge in  
8 the monthly billings of the district's customers.

9 (b) The district may not use money from taxes or bonds  
10 supported by taxes for a purpose described by this section.

11 (c) This section does not authorize the district to install,  
12 operate, or maintain street lighting on a right-of-way that is part  
13 of the designated state highway system. (V.A.C.S. Art. 8280-286,  
14 Sec. 2A.)

15 Source Law

16 Sec. 2A. (a) If the actions are approved by a  
17 majority of the voters of the District voting at an  
18 election called and held for that purpose, the  
19 District may:

20 (1) install, operate, and maintain street  
21 lighting within a public utility easement or public  
22 right-of-way inside the District's boundaries; and

23 (2) assess the cost of installing,  
24 operating, and maintaining the street lighting as an  
25 additional charge in the monthly billings of the  
26 District's customers.

27 (b) The District may not use money from taxes or  
28 bonds supported by taxes for a purpose described by  
29 this section.

30 (c) This section does not authorize the District  
31 to install, operate, or maintain street lighting on  
32 right-of-way that is part of the designated state  
33 highway system.

34 Revisor's Note  
35 (End of Subchapter)

36 (1) Section 2, V.A.C.S. Article 8280-286,  
37 provides that the act prevails over general law in case  
38 of a conflict. The revised law omits that provision  
39 because it duplicates, in substance, Section 311.026,  
40 Government Code (Code Construction Act), applicable to  
41 the revised law. The omitted law reads:

42 Sec. 2. . . . to the extent that the  
43 provisions of such General Laws may be in  
44 conflict or inconsistent with the  
45 provisions of this Act, the provisions of

1           this Act shall prevail. . . .

2           (2) Section 2, V.A.C.S. Article 8280-286,  
3 authorizes the district to "make, construct, or  
4 otherwise acquire" improvements. The revised law  
5 omits that provision because it duplicates Sections  
6 49.211(b) and 49.215(a), Water Code, which apply to  
7 the district by operation of Sections 49.001 and  
8 49.002, Water Code. The omitted law reads:

9                   Sec. 2. . . . Said District shall  
10 have the power to make, construct, or  
11 otherwise acquire improvements either  
12 within or without the boundaries thereof  
13 necessary or convenient to carry out the  
14 powers and authority granted by this Act and  
15 said General Laws; . . . .

16           (3) Section 2, V.A.C.S. Article 8280-286,  
17 provides that the district shall pay the cost of  
18 certain expenses necessitated by the exercise of  
19 certain district powers. The revised law omits this  
20 provision because it duplicates Section 49.223, Water  
21 Code, applicable to the district by operation of  
22 Sections 49.001 and 49.002, Water Code. The omitted  
23 law reads:

24                   Sec. 2. . . . In the event that the  
25 District in the exercise of the power of  
26 eminent domain or power of relocation, or  
27 any other power granted hereunder, makes  
28 necessary the relocation, raising,  
29 rerouting or changing the grade of, or  
30 altering the construction of, any highway,  
31 railroad, electric transmission line,  
32 telephone or telegraph properties and  
33 facilities, or pipeline, all such necessary  
34 relocation, raising, rerouting, changing of  
35 grade or alteration of construction shall  
36 be accomplished at the sole expense of the  
37 District. The term "sole expense" shall  
38 mean the actual cost of such relocation,  
39 raising, lowering, rerouting, or change in  
40 grade or alteration of construction in  
41 providing comparable replacement without  
42 enhancement of such facilities, after  
43 deducting therefrom the net salvage value  
44 derived from the old facility.

45           (4) Section 3, V.A.C.S. Article 8280-286,  
46 provides that the management and control of the  
47 district is vested in a board of five directors. The  
48 revised law omits this provision because it duplicates

1 Section 51.071, Water Code, applicable to the district  
2 by operation of Section 51.001, Water Code, and  
3 Sections 49.051 and 49.057(a), Water Code, applicable  
4 to the district by operation of Sections 49.001 and  
5 49.002, Water Code. The omitted law reads:

6 Sec. 3. The management and control of  
7 the District is hereby vested in a Board of  
8 five (5) Directors . . . .

9 (5) Section 3, V.A.C.S. Article 8280-286,  
10 refers to the powers, authority, and duties conferred  
11 and imposed on the board under Chapter 3A, Title 128,  
12 Revised Civil Statutes of Texas, 1925. The revised law  
13 omits the reference to Chapter 3A, Title 128, Revised  
14 Statutes, for the reason stated in Revisor's Note (4)  
15 to Section 9004.051. The revised law omits the  
16 reference to the board's powers, authority, and duties  
17 because Chapters 49 and 51, Water Code, now provide for  
18 the powers and duties of the board and those chapters  
19 apply to the board of the district by operation of  
20 Sections 49.001, 49.002, and 51.001, Water Code. The  
21 omitted law reads:

22 Sec. 3. . . . [a Board] . . . which  
23 shall have all of the powers and authority  
24 and duties conferred and imposed upon  
25 Boards of Directors of water control and  
26 improvement districts organized under the  
27 provisions of Chapter 3A of Title 128,  
28 Revised Civil Statutes of Texas, 1925,  
29 together with all amendments thereof and  
30 additions thereto. . . .

31 (6) Section 3, V.A.C.S. Article 8280-286,  
32 provides for the election of the board of directors of  
33 the district. The revised law omits as executed those  
34 provisions that relate to the establishment of the  
35 initial board and a later realignment of terms of  
36 directors. The provisions that require the election  
37 of directors to be held as provided by general laws  
38 relating to water control and improvement districts  
39 are omitted because those provisions duplicate

1 Subchapter D, Chapter 49, Water Code, which governs  
2 director elections and is applicable to the revised  
3 law by operation of Sections 49.001 and 49.002, Water  
4 Code. The omitted law reads:

5           Sec. 3. . . . The members of the  
6 first Board of Directors shall be: Neal D.  
7 Ledford, Albert E. White, Jack G. Holson, J.  
8 C. Blackmon and Mrs. Tommy Waller, Jr. Said  
9 members shall become Directors immediately  
10 after this Act becomes effective, and said  
11 first Board of Directors shall meet and  
12 organize as soon as practicable after the  
13 effective date of this Act, and shall file  
14 their official bonds. If any of the  
15 aforementioned members of said first Board  
16 of Directors shall die, become  
17 incapacitated or otherwise not qualify to  
18 assume their duties under this Act, the  
19 remaining members of said Board of  
20 Directors shall appoint his or their  
21 successors. With the exception of said  
22 first Board of Directors, the Board of  
23 Directors shall be selected as provided by  
24 the General Laws for water control and  
25 improvement districts. The first election  
26 of Directors of such District shall be held  
27 on the second Tuesday in January, 1965, and  
28 in accordance with Article 7880--37,  
29 Revised Civil Statutes of Texas, 1925.  
30 Thereafter, Directors of the District shall  
31 be chosen, and elections for Directors  
32 shall be held in accordance with the  
33 provisions of the General Laws relating to  
34 water control and improvement districts.

35           (7) Section 5, V.A.C.S. Article 8280-286, lists  
36 the entities for which bonds issued under Section 5 are  
37 legal and authorized investments. The revised law  
38 omits the provision because it largely duplicates  
39 Section 49.186(a), Water Code. While Section 5 lists  
40 "guardians" and Section 49.186(a), Water Code, does  
41 not, Section 49.186(a) includes a "fiduciary," and a  
42 guardian is a fiduciary. Section 49.186, Water Code,  
43 applies to bonds issued under Section 5 by operation of  
44 Sections 49.001 and 49.002, Water Code. The omitted  
45 law reads:

46           Sec. 5. The bonds of the District  
47 shall be and are hereby declared to be legal  
48 and authorized investments for banks,  
49 savings banks, trust companies, building  
50 and loan associations, savings and loan  
51 associations, insurance companies,  
52 fiduciaries, trustees, guardians, and for

1 the sinking funds of cities, towns,  
2 villages, counties, school districts, or  
3 other political corporations or  
4 subdivisions of the State of Texas. . . .

5 (8) Section 5, V.A.C.S. Article 8280-286,  
6 provides that bonds issued under Section 5 may secure  
7 deposits of public funds of the state or political  
8 subdivisions. The revised law omits this provision  
9 (enacted in 1963) as impliedly repealed by Section  
10 404.0221, Government Code (enacted in 1995), which  
11 lists eligible collateral for the comptroller's  
12 deposits of state funds, and by Chapter 2257,  
13 Government Code (enacted in 1989 as Article 2529d,  
14 Vernon's Texas Civil Statutes), which governs eligible  
15 collateral for deposits of funds of other public  
16 agencies, including political subdivisions. The  
17 omitted law reads:

18 Sec. 5. . . . Such bonds shall be  
19 eligible to secure the deposit of any and  
20 all public funds of the State of Texas, and  
21 any and all public funds of cities, towns,  
22 villages, counties, school districts, or  
23 other political corporations or  
24 subdivisions of the State of Texas; and such  
25 bonds shall be lawful and sufficient  
26 security for said deposits to the extent of  
27 their value, when accompanied by all  
28 unmatured coupons appurtenant thereto.

29 (9) Section 8, V.A.C.S. Article 8280-286,  
30 provides that the act is severable. The revised law  
31 omits Section 8 because it duplicates Section 311.032,  
32 Government Code (Code Construction Act), applicable to  
33 the revised law, which provides that a provision of a  
34 statute is severable from each other provision of the  
35 statute that can be given effect. The omitted law  
36 reads:

37 Sec. 8. If any word, phrase, clause,  
38 sentence, paragraph, Section, or other part  
39 of this Act or the application thereof to  
40 any person or circumstance, shall ever be  
41 held by a court of competent jurisdiction to  
42 be invalid or unconstitutional, the  
43 remainder of the Act and the application of  
44 such word, phrase, clause, sentence,  
45 paragraph, Section, or other part of this  
46 Act to other persons or circumstances shall



1 not be affected thereby.

2 CHAPTER 9005. BELL COUNTY WATER CONTROL AND

3 IMPROVEMENT DISTRICT NO. 1

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 9005.001. DEFINITIONS . . . . . 878

6 Sec. 9005.002. FINDING OF BENEFIT . . . . . 879

7 Sec. 9005.003. DISTRICT TERRITORY . . . . . 879

8 Sec. 9005.004. ANNEXATION OF TERRITORY . . . . . 880

9 [Sections 9005.005-9005.050 reserved for expansion]

10 SUBCHAPTER B. POWERS AND DUTIES

11 Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER

12 LAW . . . . . 881

13 Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL

14 FACILITIES OR PROPERTIES . . . . . 882

15 Sec. 9005.053. PURCHASE OR USE OF WATER . . . . . 883

16 [Sections 9005.054-9005.100 reserved for expansion]

17 SUBCHAPTER C. FINANCIAL PROVISIONS

18 Sec. 9005.101. TAX METHOD . . . . . 885

19 Sec. 9005.102. AUTHORITY TO ISSUE BONDS . . . . . 885

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21 CHAPTER 9005. BELL COUNTY WATER CONTROL AND

22 IMPROVEMENT DISTRICT NO. 1

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Revised Law

25 Sec. 9005.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the

27 district.

28 (2) "District" means the Bell County Water Control and

29 Improvement District No. 1. (New.)

30 Revisor's Note

31 The definitions of "board" and "district" are

32 added to the revised law for drafting convenience and

33 to eliminate frequent, unnecessary repetition of the

34 substance of the definitions.

1 Revised Law

2 Sec. 9005.002. FINDING OF BENEFIT. The legislature finds  
3 that all property in the district will benefit from the  
4 improvements constructed, acquired, leased, or operated by the  
5 district. (V.A.C.S. Art. 8280-189, Sec. 3 (part).)

6 Source Law

7 Sec. 3. It is hereby found and declared that all  
8 property within the boundaries of said District as  
9 hereby enlarged and extended will be benefited by the  
10 improvements constructed, acquired, leased or  
11 operated by the District, and . . . .

12 Revised Law

13 Sec. 9005.003. DISTRICT TERRITORY. The district is  
14 composed of the territory described by Section 1, Chapter 523, Acts  
15 of the 54th Legislature, Regular Session, 1955 (Article 8280-189,  
16 Vernon's Texas Civil Statutes), as that territory may have been  
17 modified under:

18 (1) Subchapter J, Chapter 49, Water Code;

19 (2) Subchapter O, Chapter 51, Water Code, before  
20 September 1, 1995;

21 (3) former Section 4A, Chapter 523, Acts of the 54th  
22 Legislature, Regular Session, 1955 (Article 8280-189, Vernon's  
23 Texas Civil Statutes); or

24 (4) other law. (New.)

25 Revisor's Note

26 The revision of the law governing the Bell County  
27 Water Control and Improvement District No. 1 does not  
28 revise the statutory language describing the territory  
29 of the district to avoid the lengthy recitation of the  
30 description and because that description may not be  
31 accurate on the effective date of the revision or at  
32 the time of a later reading. For the reader's  
33 convenience, the revised law includes a reference to  
34 the statutory description of the district's territory  
35 and references to statutory authority to change the  
36 district's territory under Subchapter O, Chapter 51,

1 Water Code, under Subchapter J, Chapter 49, Water  
2 Code, and under former Section 4A, V.A.C.S. Article  
3 8280-189. The revised law also includes a reference to  
4 the general authority of the legislature to enact  
5 other laws to change the district's territory.

6 Revised Law

7 Sec. 9005.004. ANNEXATION OF TERRITORY. (a) If an election  
8 concerning the annexation of territory to the district would result  
9 in the district boundaries becoming coterminous with the boundaries  
10 of the City of Killeen, the board, in a separate proposition, may  
11 submit the question of whether to automatically extend the  
12 boundaries of the district to include territory the City of Killeen  
13 annexes that is not already included in the district.

14 (b) Land annexed by the City of Killeen under Subsection (a)  
15 is part of the district only after:

16 (1) the annexed area assumes its pro rata share of all  
17 bonds, notes, or other obligations or taxes owed, contracted, or  
18 authorized by the district; and

19 (2) that assumption is approved at an election held in  
20 the district as enlarged as a result of the annexation. (V.A.C.S.  
21 Art. 8280-189, Sec. 4A (part).)

22 Source Law

23 Sec. 4A. . . . If any election concerning the  
24 annexation of territory to the District would result  
25 in the boundaries of the District becoming coterminous  
26 with the boundaries of the City of Killeen, the Board  
27 of Directors, in a separate proposition, may also  
28 submit the question of whether the boundaries of the  
29 District shall be extended automatically to include  
30 land which the City of Killeen annexes by extending its  
31 boundaries to include land that is not already  
32 included in the District. The land so annexed by the  
33 City of Killeen shall constitute part of the District,  
34 but its inclusion in the District shall not be final  
35 until the assumption by the annexed area of its pro  
36 rata share of all bonds, notes, or other obligations or  
37 taxes which may be owed, contracted, or authorized by  
38 the District has been approved at an election held in  
39 the District as enlarged by reason of the annexation of  
40 the area.

41 Revisor's Note

42 Section 4A, V.A.C.S. Article 8280-189, states  
43 that the district's board may annex territory under

1 Chapter 54, Water Code, the law governing municipal  
2 utility districts. The revised law omits the  
3 statement because Sections 54.701-54.727, Water Code,  
4 which included the relevant provisions regarding  
5 annexation, were repealed by Section 43, Chapter 715,  
6 Acts of the 74th Legislature, Regular Session, 1995.  
7 Section 2 of that act enacted Subchapter J, Chapter 49,  
8 Water Code, which governs annexation by certain  
9 districts, including water control and improvement  
10 districts and municipal utility districts. Subchapter  
11 J, Chapter 49, Water Code, applies to the district by  
12 application of Sections 49.001 and 49.002, Water Code.  
13 The omitted law reads:

14           Sec. 4A. The Board of Directors of  
15           the District may, at its option, effect the  
16           annexation of territory to the District  
17           pursuant to the provisions of law governing  
18           annexations by municipal utility districts  
19           contained in Chapter 54, Water Code. . . .

20           [Sections 9005.005-9005.050 reserved for expansion]

21                           SUBCHAPTER B. POWERS AND DUTIES

22   Revised Law

23           Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER LAW.

24   The district has all powers granted to water control and  
25   improvement districts under the general laws of this state.  
26   (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

27   Source Law

28           Sec. 2. In addition to the power and authority  
29           granted to water control and improvement districts  
30           under the general laws of Texas, said Bell County Water  
31           Control and Improvement District No. 1 as hereby  
32           extended and enlarged . . . .

33   Revisor's Note

34           (1) Section 2, V.A.C.S. Article 8280-189,  
35           refers to the "power and authority" granted to water  
36           control and improvement districts. The revised law  
37           omits "authority" because, in context, "power" has the  
38           same meaning as "authority."

39           (2) Section 2, V.A.C.S. Article 8280-189,

1 refers to the district "as hereby extended and  
2 enlarged." The revised law omits the quoted language  
3 as executed.

4 Revised Law

5 Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL  
6 FACILITIES OR PROPERTIES. (a) The district may contract with the  
7 United States or any officer of the United States to lease or  
8 operate a facility or other property owned by the United States,  
9 inside or outside the district, to:

10 (1) supply, transport, and distribute fresh water,  
11 including a contract regarding water rights to appropriate and use  
12 public waters from the Leon River or Belton Reservoir; and

13 (2) collect, treat, and dispose of wastewater and  
14 sewage, including a contract regarding maintenance, repair,  
15 extension, or improvement of the facilities or other property.

16 (b) The contract provisions must be, as determined by the  
17 board, in the district's best interests in providing a water supply  
18 and sanitary sewer service for persons who reside in and in the  
19 vicinity of the district.

20 (c) The contract's initial period may not exceed 40 years.  
21 (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

22 Source Law

23 Sec. 2. . . . Bell County Water Control and  
24 Improvement District No. 1 . . . shall be authorized:

25 (a) To contract with the United States of  
26 America, or any officer, agency or department thereof,  
27 in regard to the leasing and operation by the district  
28 of facilities and properties owned by the United  
29 States of America or any agency or department thereof,  
30 within or without the boundaries of the district, for  
31 the supply, transportation and distribution of fresh  
32 water, including water rights for the appropriation  
33 and use of public waters from the Leon River and Belton  
34 Reservoir, and the collection, treatment and disposal  
35 of waste waters and sewage, including the maintenance,  
36 repair, extension and improvements of such facilities  
37 and properties, said contract or contracts to run for  
38 initial periods not to exceed forty (40) years from the  
39 date or dates thereof and to contain such provisions as  
40 shall, in the judgment of the Board of Directors of the  
41 District, be to the best interests of the District in  
42 providing a water supply and sanitary sewer service  
43 for the inhabitants in and in the vicinity of the  
44 District.

45 . . .

1 Revisor's Note

2 Section 2(a), V.A.C.S. Article 8280-189, refers  
3 to the United States of America, or any "agency or  
4 department thereof." The revised law omits the quoted  
5 language because under Section 311.005, Government  
6 Code (Code Construction Act), "United States" includes  
7 a department, bureau, or other agency of the United  
8 States of America.

9 Revised Law

10 Sec. 9005.053. PURCHASE OR USE OF WATER. (a) The district  
11 may:

12 (1) acquire a water or a water supply facility inside  
13 or outside the district from any person, including:

14 (A) this state or any agency or subdivision of  
15 this state; and

16 (B) the United States; and

17 (2) treat, use, distribute, and sell, inside or  
18 outside the district, any water the district acquires.

19 (b) Before exercising a power under Subsection (a), the  
20 board must determine that adequate provisions can be made to  
21 continue to serve the water requirements in the district.

22 (c) The district's powers under this section are under the  
23 continuing supervision of the Texas Commission on Environmental  
24 Quality under Chapters 5 and 6, Water Code. (V.A.C.S. Art.  
25 8280-189, Sec. 4C.)

26 Source Law

27 Sec. 4C. Without limiting the authorizations  
28 and powers previously vested in the District, the  
29 District may acquire water and water supply facilities  
30 within or without the District from any person,  
31 including the state or any of its agencies and  
32 subdivisions and the United States of America and any  
33 of its agencies and subdivisions, and may treat, use,  
34 distribute, and sell, within and without the  
35 boundaries of the District, any water which may be  
36 acquired by the District; provided the Board of  
37 Directors of the District first determines that  
38 adequate provisions can be made to continue to serve  
39 the water requirements within the boundaries of the  
40 District, and provided further that the powers of the  
41 District as provided herein shall at all times be under  
42 the continuing supervision of the Texas Water Rights

1 Commission or its successor, pursuant to Chapters 5  
2 and 6 of the Water Code or successor statutes.

3 Revisor's Note

4 (1) Section 4C, V.A.C.S. Article 8280-189,  
5 refers to the United States of America, and any of its  
6 "agencies and subdivisions." The revised law omits  
7 the reference to "agencies" because under Section  
8 311.005, Government Code (Code Construction Act),  
9 "United States" includes an agency of the United  
10 States of America. The revised law also omits  
11 "subdivisions" because, in this context, the meaning  
12 of that term is included in the meaning of "agencies"  
13 of the United States.

14 (2) Section 4C, V.A.C.S. Article 8280-189,  
15 refers to district powers being under the continuing  
16 supervision of the Texas Water Rights Commission "at  
17 all times." The revised law omits the quoted language  
18 because, in this context, the meaning of that phrase is  
19 included in the meaning of "continuing."

20 (3) Section 4C, V.A.C.S. Article 8280-189,  
21 refers to the "Texas Water Rights Commission or its  
22 successor." The name of the Texas Water Rights  
23 Commission was changed to the Texas Water Commission  
24 by Sections 1 and 9, Chapter 870, Acts of the 65th  
25 Legislature, Regular Session, 1977. The name of the  
26 Texas Water Commission was changed to the Texas  
27 Natural Resource Conservation Commission by Section  
28 1.085, Chapter 3, Acts of the 72nd Legislature, 1st  
29 Called Session, 1991. Effective January 1, 2004, the  
30 name of the Texas Natural Resource Conservation  
31 Commission was changed to the Texas Commission on  
32 Environmental Quality by Section 18.01, Chapter 965,  
33 Acts of the 77th Legislature, Regular Session, 2001.  
34 The revised law is drafted accordingly.

35 (4) Section 4C, V.A.C.S. Article 8280-189,

1 refers to Chapters 5 and 6, Water Code, "or successor  
2 statutes." The revised law omits the quoted language  
3 because under Section 311.027, Government Code (Code  
4 Construction Act), unless expressly provided  
5 otherwise, a reference to a statute applies to all  
6 reenactments, revisions, or amendments of the statute.

7 [Sections 9005.054-9005.100 reserved for expansion]

8 SUBCHAPTER C. FINANCIAL PROVISIONS

9 Revised Law

10 Sec. 9005.101. TAX METHOD. The district shall use the ad  
11 valorem method of taxation for all authorized taxes. (V.A.C.S.  
12 Art. 8280-189, Sec. 3 (part).)

13 Source Law

14 Sec. 3. . . . All taxes levied by the district,  
15 after being authorized in the manner provided by law,  
16 shall be on the ad valorem basis, and . . . .

17 Revisor's Note

18 Section 3, V.A.C.S. Article 8280-189, refers to  
19 taxes levied by the district, "in the manner provided  
20 by law." The revised law omits the quoted language  
21 because the substance of other laws apply on their own  
22 terms and because the absence of the phrase does not  
23 imply that the district could impose taxes before the  
24 imposition of taxes has been authorized in a manner  
25 provided by law.

26 Revised Law

27 Sec. 9005.102. AUTHORITY TO ISSUE BONDS. (a) In this  
28 section, "district property" means the district's improvements,  
29 including property operated by the district under a lease.

30 (b) The district may call a bond election and issue bonds in  
31 the manner and for the purposes provided in Chapters 49 and 51,  
32 Water Code. In addition to the purposes under those chapters, the  
33 district may vote on and issue bonds to:

34 (1) acquire materials, supplies, equipment, and other  
35 property needed or useful to maintain district property; and



1           (2) extend, enlarge, improve, or repair district  
2 property.

3           (c) If bonds are voted on and issued in connection with  
4 property to be operated by the district under lease, the engineer's  
5 report must include a summary of the proposed expenditures of the  
6 bond proceeds. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

7                                   Source Law

8           Sec. 2. . . . Bell County Water Control and  
9 Improvement District No. 1 . . . shall be authorized:

10                                   (c) To call bond elections and issue bonds  
11 in the manner and for the purposes provided in the  
12 General Laws relating to water control and improvement  
13 districts (Chapter 3A, Title 128, Vernon's Texas Civil  
14 Statutes), as heretofore or hereafter amended, in so  
15 far as applicable, and, in addition to the purposes for  
16 which bonds may be voted and issued under said  
17 Statutes, to vote and issue bonds to acquire  
18 materials, supplies, equipment and other properties,  
19 real or personal, needed or useful in maintaining the  
20 District's improvements, including properties  
21 operated by the District under lease, and to extend,  
22 enlarge, improve and repair the same; and where bonds  
23 are voted and issued in connection with properties to  
24 be operated by the District under lease, the engineer's  
25 report shall consist of a summary of the proposed  
26 expenditures of the bond proceeds.  
27

28                                   Revisor's Note

29           (1) Section 2(c), V.A.C.S. Article 8280-189,  
30 refers to "the General Laws relating to water control  
31 and improvement districts (Chapter 3A, Title 128,  
32 Vernon's Texas Civil Statutes)." The revised law  
33 substitutes a reference to Chapter 51, Water Code, for  
34 the quoted language because the relevant provisions of  
35 Chapter 3A were codified in 1971 as Chapter 51, Water  
36 Code. For the reader's convenience, the revised law  
37 includes a reference to Chapter 49, Water Code, which  
38 also provides bond authority applicable to the  
39 district.

40           (2) Section 2(c), V.A.C.S. Article 8280-189,  
41 refers to general laws "as heretofore or hereafter  
42 amended." The revised law omits the quoted language  
43 because under Section 311.027, Government Code (Code  
44 Construction Act), unless expressly provided

1 otherwise, a reference to a statute applies to all  
2 reenactments, revisions, or amendments of the statute.

3 (3) Section 2(c), V.A.C.S. Article 8280-189,  
4 refers to "properties, real or personal." The revised  
5 law omits the reference to "real or personal" property  
6 because under Section 311.005, Government Code (Code  
7 Construction Act), "property" means "real and personal  
8 property."

9 Revised Law

10 Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY. The  
11 district may cancel, by order adopted by the board, the authority to  
12 issue the \$4.5 million bonds authorized at an election held within  
13 the district on August 30, 1952, to construct or purchase water and  
14 sewer facilities the United States has undertaken to construct.  
15 (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

16 Source Law

17 Sec. 2. . . . Bell County Water Control and  
18 Improvement District No. 1 . . . shall be authorized:

19 . . .  
20 (b) To cancel, by order adopted by its  
21 Board of Directors, the authority to issue the Four  
22 Million, Five Hundred Thousand Dollars (\$4,500,000)  
23 bonds authorized at an election held within said  
24 District on August 30, 1952, to construct or purchase  
25 water and sewer facilities which the United States of  
26 America has since undertaken to construct.  
27 . . .

28 Revisor's Note  
29 (End of Chapter)

30 (1) Section 1A(a), V.A.C.S. Article 8280-189,  
31 states that a director serves a four-year term. The  
32 revised law omits the provision because it duplicates  
33 Section 49.103(a), Water Code. Throughout this  
34 chapter, the revised law omits provisions that  
35 duplicate provisions in Chapter 49, Water Code,  
36 because Chapter 49 applies to the district under  
37 Sections 49.001 and 49.002 of that chapter. The  
38 omitted law reads:

39 Sec. 1A. (a) Members of the Board of  
40 Directors of the District serve for  
41 four-year terms.

1           (2) Section 1A(b), V.A.C.S. Article 8280-189,  
2 provides that an election for directors of the  
3 district shall be held "on the first Saturday in April  
4 in each even-numbered year to elect the appropriate  
5 number of directors." The revised law omits the quoted  
6 language as impliedly repealed because the specified  
7 date is no longer a valid election date and because the  
8 references to even-numbered years and to the  
9 appropriate number of directors duplicate Section  
10 49.103(b), Water Code. Section 41.001, Election Code,  
11 which prescribes uniform election dates for all  
12 political subdivisions, does not provide for an April  
13 election date. The first Saturday in April was a valid  
14 election date under Subsection (a), Section 9b, Texas  
15 Election Code, as amended (Article 2.01b, Vernon's  
16 Texas Election Code), when that date was specified for  
17 the district by Section 1A(b) in 1983. As effective in  
18 1986, Section 41.005, Election Code, provided that if  
19 a law outside the Election Code required the general  
20 election for officers of a political subdivision to be  
21 held on a date other than a uniform election date, the  
22 governing body was required to set future election  
23 dates to comply with the Election Code. The omitted  
24 law reads:

25                   (b) A directors' election shall be  
26 held on the first Saturday in April in each  
27 even-numbered year to elect the appropriate  
28 number of directors.

29           (3) Section 1A(c), V.A.C.S. Article 8280-189,  
30 provides that an election for directors is held "as  
31 provided by Chapter 51, Water Code, and the Texas  
32 Election Code." Chapter 51 retains some provisions  
33 concerning director elections (see Sections 51.0731,  
34 51.0732, and 51.076), but Section 51.073, the main  
35 section on the election of directors, was repealed by  
36 Chapter 715, Acts of the 74th Legislature, Regular

1 Session, 1995, which enacted Chapter 49, Water Code,  
2 as the general law applicable to most water districts.  
3 Sections 49.102 through 49.104, Water Code, apply to  
4 the district's director elections and provide  
5 sufficient authority on their own terms. The revised  
6 law therefore omits the reference to Chapter 49.  
7 Similarly, the revised law omits the reference to the  
8 Texas Election Code because the Election Code provides  
9 sufficient authority for its applicability. Finally,  
10 the revised law omits the phrase "[e]xcept as provided  
11 by this section" because the exception provided by  
12 Section 1A(b), V.A.C.S. Article 8280-189, was omitted  
13 from the revised law for the reasons stated in  
14 Revisor's Note (2). The omitted law reads:

15 (c) Except as provided by this  
16 section, a directors' election is called and  
17 held as provided by Chapter 51, Water Code,  
18 and the Texas Election Code.

19 (4) Section 3, V.A.C.S. Article 8280-189,  
20 includes several provisions controlling the creation  
21 of the district that are exceptions to the  
22 applicability of the general laws relating to the  
23 creation of water control and improvement districts.  
24 The provisions are transition provisions clarifying  
25 procedures relative to the creation of the district,  
26 and the revised law therefore omits those provisions  
27 as executed. The omitted law reads:

28 Sec. 3. . . . it shall not be  
29 necessary for the District to hold a hearing  
30 on the exclusion of lands. . . . it shall  
31 not be necessary for the District to hold a  
32 hearing on a plan of taxation.

33 (5) Section 4, V.A.C.S. Article 8280-189,  
34 validates various actions regarding the creation of  
35 the district and further states that "nothing herein"  
36 prevents the annexation of further territory under  
37 general law. The revised law omits the validation  
38 provision as executed. The revised law omits the

1 provision regarding annexation because nothing in this  
2 chapter prevents annexation under general law and  
3 because general laws regarding annexation apply on  
4 their own terms. The omitted law reads:

5           Sec. 4. The creation, establishment  
6 and organization of said District, and all  
7 acts of the Board of Water Engineers of the  
8 State of Texas and the Board of Directors of  
9 said District in connection with the  
10 creation, establishment and organization of  
11 said District, are hereby in all things  
12 validated, ratified and confirmed;  
13 provided, that the validation of said  
14 District shall not affect the provisions of  
15 this Act extending the boundaries of said  
16 District. Nothing herein shall prevent the  
17 annexation of additional territory to said  
18 District in the manner now or hereafter  
19 provided by general law.

20           (6) Section 4B, V.A.C.S. Article 8280-189,  
21 lists certain entities for which bonds, notes, and  
22 other obligations issued by the district are  
23 authorized investments and security. The revised law  
24 omits this provision because it duplicates Section  
25 49.186, Water Code. The omitted law reads:

26           Sec. 4B. All bonds, notes, and other  
27 obligations issued by the District shall be  
28 legal and authorized investments for all  
29 banks, trust companies, building and loan  
30 associations, savings and loan  
31 associations, insurance companies of all  
32 kinds and types, fiduciaries, and trustees,  
33 and for all interest and sinking funds and  
34 other public funds of the State of Texas,  
35 and all agencies, subdivisions, and  
36 instrumentalities of the state including  
37 all counties, cities, towns, villages,  
38 school districts, and all other kinds and  
39 types of districts, public agencies, and  
40 bodies politic. The District's bonds,  
41 notes, and other obligations shall be  
42 eligible and lawful security for all  
43 deposits of public funds of the State of  
44 Texas, and all agencies, subdivisions, and  
45 instrumentalities of the state including  
46 all counties, cities, towns, villages,  
47 school districts, and all other kinds and  
48 types of districts, public agencies, and  
49 bodies politic, to the extent of the market  
50 value of the bonds, notes, and other  
51 obligations when accompanied by any  
52 unmatured interest coupons attached to  
53 them.

54           (7) Section 5, V.A.C.S. Article 8280-189,  
55 provides that the act is cumulative of other laws and

1 that the act controls over other laws in conflict with  
2 the act. The revised law omits the provision regarding  
3 conflicts because it substantively duplicates Section  
4 311.026, Government Code (Code Construction Act). The  
5 revised law omits the provision regarding the  
6 cumulative effect of laws because an accepted general  
7 principle of statutory construction requires that a  
8 statute be given cumulative effect with other statutes  
9 unless the statute provides otherwise or unless the  
10 statute conflicts with another statute. This general  
11 principle applies to the revised law. The omitted law  
12 reads:

13           Sec. 5. This Act shall be cumulative  
14           of other laws governing said District, but  
15           in the event of conflict, the provisions of  
16           this Act shall control.

17           (8) Section 6, V.A.C.S. Article 8280-189,  
18           provides that the act is severable. The revised law  
19           omits Section 6 because it duplicates Section 311.032,  
20           Government Code (Code Construction Act), which  
21           provides that a provision of a statute is severable  
22           from each other provision of the statute that can be  
23           given effect. The omitted law reads:

24           Sec. 6. If any section, sentence,  
25           clause or part of this Act is for any reason  
26           held to be invalid, such decision shall not  
27           affect the remaining portions of this Act.

28           (9) Section 2, Chapter 1052, Acts of the 68th  
29           Legislature, Regular Session, 1983, provides for the  
30           initial election of the board of directors of the  
31           district. The revised law omits those provisions as  
32           executed. The omitted law reads:

33           Sec. 2. (a) The three directors  
34           elected at the directors' election in April,  
35           1984, shall serve for four-year terms.

36           (b) The directors' election  
37           scheduled before the effective date of this  
38           Act to be held in 1985 must be held, and  
39           directors elected to fill the two directors'  
40           positions shall serve until the directors  
41           are elected to fill those positions in  
42           April, 1986. An election shall be held on

1 the first Saturday in April, 1986, to elect  
2 two directors. Directors elected at the  
3 election in 1986 serve for four-year terms.

4 CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 9006.001. DEFINITIONS . . . . . 892  
7 Sec. 9006.002. NATURE OF AUTHORITY . . . . . 893  
8 Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 894  
9 Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION . . . . . 895  
10 Sec. 9006.005. APPLICABILITY OF OTHER LAW . . . . . 896

11 [Sections 9006.006-9006.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 9006.051. COMPOSITION . . . . . 897  
14 Sec. 9006.052. ELIGIBILITY TO SERVE . . . . . 897

15 [Sections 9006.053-9006.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 9006.101. GENERAL POWERS . . . . . 899  
18 Sec. 9006.102. LIMIT ON IMPOUNDING WATER . . . . . 901  
19 Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER . . . . . 901  
20 Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY . . . 901

21 [Sections 9006.105-9006.200 reserved for expansion]

22 SUBCHAPTER D. FINANCIAL PROVISIONS

23 Sec. 9006.201. ISSUANCE OF BONDS . . . . . 902  
24 Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS . . . . . 903  
25 Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN . . . . . 904  
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27 Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES . . . . . 904  
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29 Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION . . . 906

30 CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

31 SUBCHAPTER A. GENERAL PROVISIONS

32 Revised Law

33 Sec. 9006.001. DEFINITIONS. In this chapter:

34 (1) "Authority" means the Clear Creek Watershed  
35 Authority.

36 (2) "Board" means the authority's board of directors.

1 (New.)

2 Revisor's Note

3 The definitions of "authority" and "board" are  
4 added to the revised law for drafting convenience and  
5 to eliminate frequent, unnecessary repetition of the  
6 substance of the definitions.

7 Revised Law

8 Sec. 9006.002. NATURE OF AUTHORITY. The Clear Creek  
9 Watershed Authority is a conservation and reclamation district  
10 created to control, store, preserve, and distribute storm and flood  
11 waters along Clear Creek and tributaries in Cooke, Denton,  
12 Montague, and Wise Counties, as authorized by Section 59, Article  
13 XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Sec. 1 (part).)

14 Source Law

15 Sec. 1. There is hereby created within the State  
16 of Texas, a conservation and reclamation district to  
17 be known as Clear Creek Watershed Authority [which  
18 shall include and consist of portions of] Counties of  
19 Montague, Wise, Cooke and Denton . . . . The Authority  
20 . . . with the power to control, store, preserve and  
21 distribute storm and flood waters along the reaches of  
22 Clear Creek and tributaries in the counties herein  
23 named, as authorized in Article XVI, Section 59, of the  
24 Constitution of Texas.

25 Revisor's Note

26 (1) Section 1, V.A.C.S. Article 8280-234,  
27 states that the authority is being "created within the  
28 State of Texas." The revised law omits the quoted  
29 language because the legislature does not have the  
30 authority to create a district outside Texas.

31 (2) Section 1, V.A.C.S. Article 8280-234,  
32 provides that the authority is a "governmental agency  
33 and body politic." The revised law omits the  
34 references to "governmental agency" and "body politic"  
35 because they duplicate a portion of Section 59(b),  
36 Article XVI, Texas Constitution, which provides that a  
37 conservation and reclamation district is a  
38 governmental agency and body politic. The policy of  
39 the legislative council's statutory revision program



1 is to omit from the revised codes the duplicating  
2 statutory provisions because a statute that tracks the  
3 language of the constitution not only is superfluous  
4 but may foster the erroneous belief that a  
5 constitutional requirement is merely statutory and  
6 subject to amendment through the ordinary legislative  
7 process. The omitted law reads:

8                   Sec. 1. . . . [The Authority] is  
9 hereby declared to be a governmental agency  
10 and body politic . . . [as authorized in  
11 Article XVI, Section 59, of the  
12 Constitution of Texas.]

13                   Revised Law

14           Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
15 The authority is created to serve a public use and benefit.

16           (b) All territory and other property included within the  
17 boundaries of the authority will benefit from the projects,  
18 improvements, works, and measures to be constructed and  
19 accomplished by the authority under powers conferred by Section 59,  
20 Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Secs. 2  
21 (part), 6 (part).)

22                   Source Law

23           Sec. 2. It is expressly determined and found  
24 that all of the territory included within the area of  
25 the District will be benefited by the works and  
26 projects which are to be accomplished by the Authority  
27 pursuant to the powers conferred by the provisions of  
28 Article XVI, Section 59, of the Constitution of  
29 Texas. . . . it being hereby found and determined that  
30 all of the territory and taxable property contained  
31 within such boundaries will be benefited by the works  
32 and improvements of the Authority.

33           Sec. 6. . . . It is hereby found and determined  
34 that all of the lands and other property (excepting  
35 within the incorporated limits of any city), included  
36 within the boundaries of the District will be  
37 benefited by the District and its improvements, works  
38 and measures to be constructed and accomplished and  
39 that the District is created to serve a public use and  
40 benefit. . . .

41                   Revisor's Note

42           (1) Section 2, V.A.C.S. Article 8280-234,  
43 states that "all of the territory and taxable  
44 property" within the authority benefits from the

1 authority's works and improvements. Section 6 of that  
2 article states that "all of the lands and other  
3 property" in the authority will benefit from the  
4 authority. The revised law omits "taxable property"  
5 because, in context, it is included in the meaning of  
6 "property."

7 (2) Section 6, V.A.C.S. Article 8280-234,  
8 refers to the Clear Creek Watershed Authority as the  
9 "Authority" and as the "District." Throughout Article  
10 8280-234 the terms are used interchangeably. For  
11 consistency throughout this chapter, the revised law  
12 substitutes "authority" for "district" unless the  
13 context does not clearly indicate that "district"  
14 refers to the Clear Creek Watershed Authority.

15 (3) Section 6, V.A.C.S. Article 8280-234,  
16 refers to lands and other property "excepting within  
17 the incorporated limits of any city." The revised law  
18 omits the quoted language because under Section 2a,  
19 V.A.C.S. Article 8280-234, the authority could not  
20 contain municipal territory.

21 Revised Law

22 Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION. (a) The  
23 authority is composed of portions of Cooke, Denton, Montague, and  
24 Wise Counties as described by Sections 2 and 2a, Chapter 372, Acts  
25 of the 56th Legislature, Regular Session, 1959 (Article 8280-234,  
26 Vernon's Texas Civil Statutes), as that territory may have been  
27 modified under:

28 (1) Subchapter O, Chapter 51, Water Code, before  
29 September 1, 1995;

30 (2) Subchapter J, Chapter 49, Water Code; or

31 (3) other law.

32 (b) An error or discrepancy in the field notes of the  
33 authority's boundaries contained in Section 2, Chapter 372, Acts of  
34 the 56th Legislature, Regular Session, 1959 (Article 8280-234,

1 Vernon's Texas Civil Statutes), does not affect the validity of the  
2 authority or any of its powers. (V.A.C.S. Art. 8280-234, Secs. 1  
3 (part), 2 (part); New.)

4 Source Law

5 Sec. 1. . . . which shall include and consist  
6 of portions of Counties of Montague, Wise, Cooke and  
7 Denton described and contained within the metes and  
8 bounds set forth in Section 2 of this Act. . . .

9 Sec. 2. . . . No error or discrepancy in the  
10 foregoing field notes shall adversely affect the  
11 validity of the Authority or the exercise of any power  
12 of the Authority granted herein, . . .

13 Revisor's Note

14 The revision of the law governing the Clear Creek  
15 Watershed Authority does not revise the statutory  
16 language describing the territory of the authority to  
17 avoid the lengthy recitation of the description and  
18 because that description may not be accurate at the  
19 time of the revision or of a later reading. For the  
20 reader's convenience, the revised law includes  
21 references to the statutory description of the  
22 authority's territory and to statutory authority to  
23 change the authority's territory under Subchapter O,  
24 Chapter 51, Water Code, and under Subchapter J,  
25 Chapter 49, Water Code, applicable to the authority  
26 under Sections 49.001 and 49.002 of that code. The  
27 revised law also includes a reference to the general  
28 authority of the legislature to change the authority's  
29 territory.

30 Revised Law

31 Sec. 9006.005. APPLICABILITY OF OTHER LAW. Except as  
32 provided in this chapter, general laws pertaining to water control  
33 and improvement districts govern the authority. (V.A.C.S. Art.  
34 8280-234, Sec. 11.)

35 Source Law

36 Sec. 11. Except as modified or supplemented by  
37 the provisions of this Act all laws or parts of laws  
38 now in effect or hereafter adopted, as well as those  
39 amendatory or supplemental to the General Laws

1 pertaining to water control and improvement districts  
2 are adopted by reference as though set out at length  
3 herein, and such laws shall govern the Authority.

4 Revisor's Note

5 (1) Section 11, V.A.C.S. Article 8280-234,  
6 refers to certain laws that shall govern the  
7 authority, including laws "now in effect or hereafter  
8 adopted, as well as those amendatory or supplemental."  
9 The revised law omits those references because under  
10 Section 311.027, Government Code (Code Construction  
11 Act), unless expressly provided otherwise, a reference  
12 to a statute applies to all reenactments, revisions,  
13 or amendments of the statute.

14 (2) Section 11, V.A.C.S. Article 8280-234,  
15 refers to laws that "are adopted by reference as though  
16 set out at length herein." The revised law omits the  
17 quoted language because a law that applies to or  
18 governs the authority applies on its own terms without  
19 needing to be adopted by reference.

20 [Sections 9006.006-9006.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Revised Law

23 Sec. 9006.051. COMPOSITION. The board consists of nine  
24 directors. (V.A.C.S. Art. 8280-234, Sec. 12 (part).)

25 Source Law

26 Sec. 12. The Board of Directors of the Authority  
27 shall be comprised of nine persons. . . .

28 Revised Law

29 Sec. 9006.052. ELIGIBILITY TO SERVE. A director of the  
30 authority or any subordinate district must be a landowner within  
31 the authority and reside in Cooke, Denton, Montague, or Wise  
32 County. A director who fails to meet the requirements of this  
33 section shall vacate the director's office. (V.A.C.S. Art.  
34 8280-234, Sec. 12 (part).)

35 Source Law

36 Sec. 12. . . . The Directors of the Authority  
37 of any subordinate district shall be landowners within

1 the Authority and reside within, Montague, Cooke, Wise  
2 and Denton Counties and shall retain such status  
3 during their tenure in office or vacate such office.

4 Revisor's Note

5 Section 12, V.A.C.S. Article 8280-234, provides  
6 that "Directors of the Authority of any subordinate  
7 district shall be landowners within the Authority."  
8 The revised law substitutes "or any subordinate  
9 district" for "of any subordinate district" because  
10 the use of "of" rather than "or" appears to be a  
11 typographical error. A reference to the "Authority or  
12 such subordinate District" is found in the part of  
13 Section 4, V.A.C.S. Article 8280-234, revised in this  
14 chapter as Section 9006.104. That reference helps to  
15 confirm that the use of "of" rather than "or" is a  
16 typographical error. The revised law is drafted  
17 accordingly.

18 Revisor's Note  
19 (End of Subchapter)

20 (1) Section 12, V.A.C.S. Article 8280-234,  
21 refers to the initial board of directors. The revised  
22 law omits the language as executed. The omitted law  
23 reads:

24 Sec. 12. . . . Immediately after  
25 this Act becomes effective the following  
26 named persons, shall be the directors of the  
27 Authority and shall constitute the Board of  
28 Directors of said Authority: J. M.  
29 Weinzapfel, Muenster, Texas; Tom L. Muir,  
30 Sanger, Texas; J. C. Donnell, Saint Jo,  
31 Texas; Orin Fortenberry, Greenwood, Texas;  
32 J. W. McCall, Nocona, Texas; J. A. Stoval,  
33 Era, Texas; H. K. Armstrong, Sanger, Texas;  
34 Dr. C. H. Saunders, Denton, Texas; H. D.  
35 Field, Saint Jo, Texas. . . . The first  
36 three Directors named above shall serve  
37 until the second Wednesday in January A. D.  
38 1960, and the following three Directors  
39 shall serve until the second Wednesday in  
40 January 1961, and the last three Directors  
41 named above shall serve until the second  
42 Wednesday in January 1962. . . .

43 (2) Section 12, V.A.C.S. Article 8280-234,  
44 provides that directors continue to hold their offices  
45 until their successors are elected and have qualified.

1 The revised law omits that provision as executed and  
2 because Section 17, Article XVI, Texas Constitution,  
3 requires each officer in the state to continue to  
4 perform the officer's duties until a successor has  
5 qualified. The omitted law reads:

6 Sec. 12. . . . The Board of Directors  
7 herein appointed shall serve until their  
8 successors have been duly elected and  
9 qualified. . . .

10 (3) Section 12, V.A.C.S. Article 8280-234,  
11 provides that board elections shall be held "each  
12 year." The revised law omits that provision because it  
13 was superseded by the 1995 enactment of Section  
14 49.103, Water Code, which provides for elections held  
15 in each even-numbered year. Section 49.103 applies to  
16 the authority under Sections 49.001(a), 49.002, and  
17 49.103(e), Water Code. The omitted law reads:

18 Sec. 12. . . . An election for  
19 Directors shall be held on the second  
20 Wednesday in January of each year and as  
21 herein provided. . . .

22 (4) Section 12, V.A.C.S. Article 8280-234,  
23 provides for a three-year term for directors. The  
24 revised law omits that provision because it was  
25 superseded by the 1995 enactment of Section 49.103,  
26 Water Code, which provides for a four-year term for  
27 directors. Section 49.103 applies to the authority  
28 under Sections 49.001(a), 49.002, and 49.103(e), Water  
29 Code. The omitted law reads:

30 Sec. 12. . . . Three directors shall  
31 be elected in each annual election, in  
32 succession to their expired terms as  
33 heretofore provided.

34 [Sections 9006.053-9006.100 reserved for expansion]

35 SUBCHAPTER C. POWERS AND DUTIES

36 Revised Law

37 Sec. 9006.101. GENERAL POWERS. To accomplish a purpose for  
38 which the authority is created, the authority has the powers  
39 conferred by the general laws of this state on water control and

1 improvement districts, including the power to:

2 (1) construct, acquire, improve, maintain, or repair a  
3 dam or other structure; and

4 (2) acquire land, easements, equipment, or other  
5 property needed to use, control, or distribute storm or flood  
6 waters that may be impounded, diverted, or controlled by the  
7 authority. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

8 Source Law

9 Sec. 4. In exercising the power for which the  
10 Authority is created, it shall have all of the  
11 authority conferred by General Law upon water control  
12 and improvement districts, including, but not limited  
13 to, the power to construct, acquire, improve, maintain  
14 and repair dams or other structures and the  
15 acquisition of land, easements, properties, or  
16 equipment which may be needed to utilize, control, and  
17 distribute any storm and flood waters that may be  
18 impounded, diverted, or controlled by the  
19 Authority. . . .

20 Revisor's Note

21 (1) Section 4, V.A.C.S. Article 8280-234,  
22 refers to authority "including, but not limited to,"  
23 certain powers. The revised law omits "but not limited  
24 to" because Section 311.005(13), Government Code (Code  
25 Construction Act), provides that "includes" and  
26 "including" are terms of enlargement and not of  
27 limitation and do not create a presumption that  
28 components not expressed are excluded.

29 (2) Section 3, V.A.C.S. Article 8280-234,  
30 refers to the authority's power to cooperate with  
31 federal entities. The revised law omits that  
32 provision because it duplicates, in substance,  
33 provisions of Section 49.227, Water Code, that provide  
34 the authority with the power to act jointly. Section  
35 49.227 applies to the authority by application of  
36 Sections 49.001 and 49.002, Water Code. The omitted  
37 law reads:

38 Sec. 3. For the accomplishment of any  
39 one or more of the purposes outlined in  
40 Section 1, of this Act, the Authority shall  
41 be and is hereby empowered to cooperate with

1 any agency, representative,  
2 instrumentality or department of the  
3 Federal Government for the purpose of  
4 acquiring the funds necessary to carry out  
5 the objectives of this Act.

6 Revised Law

7 Sec. 9006.102. LIMIT ON IMPOUNDING WATER. The authority's  
8 right to impound water is subject to a prior grant or permit issued  
9 by the Texas Commission on Environmental Quality. (V.A.C.S. Art.  
10 8280-234, Sec. 11a.)

11 Source Law

12 Sec. 11a. The rights of the District to impound  
13 water shall be subject to prior grants or permits  
14 issued by the Texas Water Commission.

15 Revisor's Note

16 Section 11a, V.A.C.S. Article 8280-234, refers to  
17 the "Texas Water Commission." Throughout this  
18 chapter, the revised law substitutes "Texas Commission  
19 on Environmental Quality" for "Texas Water Commission"  
20 to reflect a change in the agency's name. The name of  
21 the Texas Water Commission was changed to the Texas  
22 Natural Resource Conservation Commission by Section  
23 1.085, Chapter 3, Acts of the 72nd Legislature, 1st  
24 Called Session, 1991. The name of the Texas Natural  
25 Resource Conservation Commission was changed to the  
26 Texas Commission on Environmental Quality by Section  
27 18.01, Chapter 965, Acts of the 77th Legislature,  
28 Regular Session, 2001.

29 Revised Law

30 Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER. The  
31 authority may not exercise the power of eminent domain outside  
32 authority boundaries. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

33 Source Law

34 Sec. 4. . . . The exercise of the power of  
35 eminent domain shall not extend beyond the boundaries  
36 of the Authority, as defined herein.  
37 . . .

38 Revised Law

39 Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY. If



1 the authority in the exercise of the power of eminent domain, the  
2 power of relocation, or any other powers granted under this chapter  
3 makes necessary relocating, raising, rerouting, changing the grade  
4 of, or altering the construction of any highway, railroad, electric  
5 transmission line, telephone or telegraph property or facility, or  
6 pipeline, the authority or the subordinate district is solely  
7 responsible for the expense of that necessary action. (V.A.C.S.  
8 Art. 8280-234, Sec. 4 (part).)

9 Source Law

10 Sec. 4. . . . In the event that the Authority,  
11 in the exercise of the power of eminent domain or power  
12 of relocation, or any other power granted hereunder,  
13 makes necessary the relocation, raising, rerouting or  
14 changing the grade of, or altering the construction of  
15 any highway, railroad, electric transmission line,  
16 telephone or telegraph properties and facilities, or  
17 pipeline, all such necessary relocation, raising,  
18 rerouting, changing of grade or alteration of  
19 construction shall be accomplished at the sole expense  
20 of the Authority or such subordinate District.

21 [Sections 9006.105-9006.200 reserved for expansion]

22 SUBCHAPTER D. FINANCIAL PROVISIONS

23 Revised Law

24 Sec. 9006.201. ISSUANCE OF BONDS. To accomplish an  
25 authority purpose and to obtain money necessary to furnish land or  
26 easements or permanent improvements on the land or easements, the  
27 authority may issue and secure bonds as provided by general law for  
28 water control and improvement districts. (V.A.C.S. Art. 8280-234,  
29 Sec. 6 (part).)

30 Source Law

31 Sec. 6. For the accomplishment of any one or  
32 more of the purposes for which the Authority is  
33 created, the Authority may issue bonds, in the manner  
34 hereinafter provided, for the purposes of acquiring  
35 the funds necessary to furnish land, easements or  
36 permanent improvements thereon. . . .

37 Revisor's Note

38 (1) Section 9, V.A.C.S. Article 8280-234,  
39 authorizes the authority to issue bonds in "addition  
40 to" other powers the authority has in specific  
41 sections of the article. The revised law omits the  
42 provision as surplussage because, as a principle of

1 statutory construction, the various provisions  
2 granting power to the authority must be read  
3 cumulatively. The omitted law reads:

4           Sec. 9. In addition to the powers  
5 granted under the provisions of Sections 6,  
6 7, and 8 of this Act, . . . .

7           (2) Section 10, V.A.C.S. Article 8280-234,  
8 authorizes the authority to refund bonds. The revised  
9 law omits that language because it duplicates Chapter  
10 1207, Government Code, which contains general  
11 authority for an issuer to issue refunding securities.  
12 That chapter applies to the authority because the  
13 authority is an issuer under Section 1207.001,  
14 Government Code. The omitted law reads:

15           Sec. 10. . . . Such bonds may be  
16 refunded as provided by the law adopted in  
17 Section 11.

18           (3) Sections 9 and 10, V.A.C.S. Article  
19 8280-234, authorize the authority to issue bonds under  
20 general law for water control and improvement  
21 districts. The revised law omits those provisions  
22 because they duplicate general law. General law is  
23 sufficient on its own terms, including bond provisions  
24 in Chapters 49 and 51, Water Code. The omitted law  
25 reads:

26           Sec. 9. . . . the Authority shall  
27 have the power to issue bonds secured by a  
28 pledge of revenues, taxes or both as  
29 provided by General Law for water control  
30 and improvement districts.

31           Sec. 10. All bonds issued by the  
32 Authority shall be issued in the same manner  
33 and with the same terms, upon the same  
34 conditions and with the same consideration  
35 and provision as under the General Law  
36 governing water control and improvement  
37 districts. . . .

38   Revised Law

39           Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS. When the  
40 board selects a plan of taxation, the board may pledge authority  
41 revenue to pay bonds authorized by voters. (V.A.C.S. Art.  
42 8280-234, Sec. 7.)

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Source Law

Sec. 7. If bonds are authorized by the electorate under the provisions of Section 6 of this Act, the Directors may, at the time of selecting a plan or plans of taxation, also authorize the pledging of the revenues of the District to the payment of such bonds.

Revisor's Note

Section 7, V.A.C.S. Article 8280-234, refers to bonds authorized by the electorate "under the provisions of Section 6 of this Act." The revised law omits the quoted language because Section 6 does not provide for authorization of bonds by the electorate.

Revised Law

Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN. The authority shall use the ad valorem plan of taxation. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

Source Law

Sec. 6. . . . The ad valorem plan of taxation shall be used by the District. . . .

Revised Law

Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING. (a) Except as provided by Subsection (b), after adopting a plan or method of taxation, the authority may call a hearing to consider changing the method of taxation. The authority shall call the hearing in the same manner used for the hearing to adopt the original plan of taxation.

(b) Once bonds are approved by the attorney general or district court, the political subdivision issuing the bonds may not change its plan of taxation. (V.A.C.S. Art. 8280-234, Sec. 8.)

Source Law

Sec. 8. The Authority upon the adoption of the plan or method of taxation, may call future hearings (in the same manner as for the adoption of the original plan) to consider a change in the method of taxation, but once bonds are approved by the Attorney General or District Court, the political subdivision issuing those bonds may not thereafter change its plan of taxation.

Revised Law

Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES. (a) A

1 maintenance tax election shall be called and notice given in the  
2 same manner as provided for a bond election.

3 (b) This chapter does not prevent the calling of a later  
4 maintenance tax election to establish or increase the amount of tax  
5 if the board determines that a maintenance tax election is  
6 required. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

7 Source Law

8 Sec. 6. . . . The election shall be called and  
9 notice given in the same manner as authorized  
10 hereunder for a bond election, and . . . but nothing  
11 herein shall prevent the calling of subsequent  
12 maintenance tax elections to establish or increase the  
13 amount of tax should the directors find such election  
14 is required.

15 Revisor's Note

16 Section 6, V.A.C.S. Article 8280-234, provides  
17 that a maintenance tax election shall be held "in the  
18 same manner as authorized hereunder for a bond  
19 election." The revised law omits "authorized  
20 hereunder" because neither Section 6 or the rest of the  
21 article contains bond election procedures.

22 Revised Law

23 Sec. 9006.206. MAINTENANCE TAX RATE. In calling a  
24 maintenance tax election, the board must specify the maximum  
25 proposed tax rate. To impose a maintenance tax at a rate that  
26 exceeds the maximum proposed rate approved by the voters, the board  
27 must submit the question of a tax rate increase to the voters.  
28 (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

29 Source Law

30 Sec. 6. . . . In calling the election, the  
31 directors shall specify the maximum rate of tax which  
32 is sought to be levied, and no tax in excess of that  
33 amount may be levied without submitting the question  
34 of the increased rate of taxation to the electors  
35 hereinabove described.  
36 . . .

37 Revisor's Note

38 Section 6, V.A.C.S. Article 8280-234, refers to  
39 taxes being "levied." Throughout this subchapter, the  
40 revised law substitutes "impose" for "levy" because

1 "impose" is the term generally used in Title 1, Tax  
2 Code, and includes the levy, assessment, and  
3 collection of a tax.

4 Revised Law

5 Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION. The  
6 authority is liable for ad valorem taxes imposed by a county,  
7 municipality, or school district on property owned by the  
8 authority. (V.A.C.S. Art. 8280-234, Sec. 13.)

9 Source Law

10 Sec. 13. All property owned by the district  
11 hereby created shall be liable for ad valorem taxes  
12 levied by counties, cities and school districts.

13 Revisor's Note

14 Section 13, V.A.C.S. Article 8280-234, refers to  
15 "cities." The revised law substitutes "municipality"  
16 for "city" because that is the term used in the Local  
17 Government Code.

18 Revisor's Note  
19 (End of Subchapter)

20 (1) Section 6, V.A.C.S. Article 8280-234,  
21 requires the use of county tax rolls to value property  
22 in the authority for tax purposes. The revised law  
23 omits the provision because it duplicates Section  
24 18(b), Article VIII, Texas Constitution, and Section  
25 6.01, Tax Code. Section 18(b) requires the  
26 legislature by general law to provide for a single  
27 appraisal in each county of all property subject to ad  
28 valorem taxation by the county and all other taxing  
29 units located in the county. Section 6.01 establishes  
30 an appraisal district to appraise property in each  
31 county and requires each taxing unit that imposes ad  
32 valorem taxes on property in the appraisal district to  
33 use that appraisal. Section 6.01, Tax Code, applies to  
34 the authority under Section 1.02, Tax Code. The  
35 omitted law reads:

36 Sec. 6. . . . The District shall use

1 for tax purposes the same valuations for the  
2 property within the District as that  
3 carried on the tax rolls for county  
4 purposes.

5 (2) Section 6, V.A.C.S. Article 8280-234,  
6 authorizes the authority to levy a maintenance tax to  
7 maintain structures and improvements if the tax is  
8 approved by the voters. The section also provides that  
9 an election for a maintenance tax may be held at the  
10 same time as a bond election. The revised law omits  
11 those provisions because they duplicate, in substance,  
12 Section 49.107, Water Code, enacted in 1995 and  
13 applicable to the authority by application of Sections  
14 49.001 and 49.002, Water Code. Section 49.107  
15 authorizes an operation and maintenance tax for  
16 certain purposes if it is approved by the voters and  
17 provides that an operation and maintenance tax  
18 election may be held at the same time as any other  
19 district election. The omitted law reads:

20 Sec. 6. . . . For the purpose of  
21 maintaining the structures, channeling or  
22 other works or improvements constructed by  
23 the Authority, districts, or others in  
24 cooperation with the Authority, the  
25 Authority shall have the power to levy a  
26 maintenance tax, provided, however, that no  
27 such maintenance tax shall be levied until  
28 approved and authorized by a majority of the  
29 resident qualified voters participating at  
30 an election called for that purpose. . . .  
31 [The election] . . . may be held  
32 simultaneously with such bond election,  
33 . . . .

34 Revisor's Note  
35 (End of Chapter)

36 (1) Section 5, V.A.C.S. Article 8280-234,  
37 states that it is unnecessary for the authority to hold  
38 a confirmation election or a hearing to exclude land.  
39 The provision is a transition provision clarifying  
40 procedures relative to the creation of the district,  
41 and the revised law therefore omits it as executed.  
42 The omitted law reads:

43 Sec. 5. It shall not be necessary for  
44 the Authority to have a hearing for

1 exclusions of land or for the confirmation  
2 of its organization.

3 (2) Section 6, V.A.C.S. Article 8280-234,  
4 provides that an election is not needed to confirm the  
5 authority's organization. The revised law omits that  
6 language as executed. The omitted law reads:

7 Sec. 6. . . . No election shall be  
8 necessary for the purpose of confirming its  
9 organization. . . .

10 (3) Section 14, V.A.C.S. Article 8280-234,  
11 provides that the article is severable. The revised  
12 law omits the provision because it duplicates Section  
13 311.032, Government Code (Code Construction Act).  
14 That provision states that a provision of a statute is  
15 severable from each other provision of the statute  
16 that can be given effect. The omitted law reads:

17 Sec. 14. If any clause, sentence,  
18 Section or provision of this Act is found,  
19 by a court of competent jurisdiction to  
20 contravene the provisions of the State or  
21 Federal Constitution, the invalidity of  
22 that portion shall not affect the remainder  
23 of this Act, it being the intention of the  
24 Legislature to enact the provisions herein  
25 contained despite such partial invalidity.

26 CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND  
27 IMPROVEMENT DISTRICT NO. 1

28 SUBCHAPTER A. GENERAL PROVISIONS

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13 CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND  
14 IMPROVEMENT DISTRICT NO. 1

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 9007.001. DEFINITIONS. In this chapter:

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

20 (2) "District" means the Bexar-Medina-Atascosa  
21 Counties Water Control and Improvement District No. 1. (Acts 73rd  
22 Leg., R.S., Ch. 370, Sec. 1; Acts 74th Leg., R.S., Ch. 544, Sec. 1.)

23 Source Law

24 [Acts 73rd Leg., Ch. 370]

25 Sec. 1. In this Act:

26 (1) "Board" means the Board of Directors  
27 of the Bexar-Medina-Atascosa Counties Water Control  
28 and Improvement District No. 1.

29 (2) "District" means the  
30 Bexar-Medina-Atascosa Counties Water Control and  
31 Improvement District No. 1.

32 [Acts 74th Leg., Ch. 544]

33 Sec. 1. In this Act:

34 (1) "Board" means the board of directors  
35 of the Bexar-Medina-Atascosa Counties Water Control  
36 and Improvement District No. 1.

37 (2) "District" means the  
38 Bexar-Medina-Atascosa Counties Water Control and  
39 Improvement District No. 1.



1 [Sections 9007.002-9007.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Revised Law

4 Sec. 9007.051. COMPOSITION; TERM. (a) The district is  
5 governed by a board of seven directors elected to staggered  
6 four-year terms.

7 (b) Five directors are elected from single-member  
8 precincts. Two directors are elected at large. (Acts 74th Leg.,  
9 R.S., Ch. 544, Secs. 2(f), 3 (part).)

10 Source Law

11 [Sec. 2]

12 (f) At each subsequent board election on the  
13 first Saturday in May of even-numbered years, the  
14 appropriate number of directors shall be elected so  
15 that the board consists of one director elected from  
16 each of the district's five single-member precincts  
17 and two directors elected from the district at large.

18 Sec. 3. Directors of the district serve  
19 staggered four-year terms, . . . .

20 Revisor's Note

21 (1) Section 2(f), Chapter 544, Acts of the 74th  
22 Legislature, Regular Session, 1995, refers to electing  
23 the appropriate number of directors at subsequent  
24 board elections. The revised law omits the reference  
25 because the revised law omits as executed Sections  
26 2(a)-(e), including the provisions relating to matters  
27 established at previous board elections. See the  
28 revisor's note to the end of this subchapter.

29 (2) Section 2(f), Chapter 544, Acts of the 74th  
30 Legislature, Regular Session, 1995, provides that a  
31 board election must be held "on the first Saturday in  
32 May of even-numbered years." The revised law omits the  
33 quoted language because Section 49.103(b), Water Code,  
34 establishes a uniform election date for certain  
35 special districts. Chapter 49, Water Code, applies to  
36 the district under Sections 49.001 and 49.002 of that  
37 chapter. In addition, Section 41.001, Election Code,  
38 prescribes uniform election dates.

1 Revised Law

2 Sec. 9007.052. DIRECTOR QUALIFICATIONS. (a) A person  
3 seeking to represent a single-member precinct of the district must  
4 own land in the precinct the person seeks to represent.

5 (b) A person seeking to represent the district at large must  
6 own land in the district. (Acts 74th Leg., R.S., Ch. 544, Sec. 4.)

7 Source Law

8 Sec. 4. A person seeking to represent a  
9 single-member precinct of the district must own land  
10 in the precinct sought to be represented. A person  
11 seeking to represent the district at large must own  
12 land in the district.

13 Revised Law

14 Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT. A  
15 person seeking to be placed on the ballot for a board election must:

16 (1) indicate that the person wishes to run for a  
17 position representing the district at large; or

18 (2) identify the single-member precinct from which the  
19 person wishes to run. (Acts 74th Leg., R.S., Ch. 544, Sec. 5.)

20 Source Law

21 Sec. 5. A person seeking to be placed on the  
22 ballot for a board election must:

23 (1) indicate that the person wishes to run  
24 for a position representing the district at large; or

25 (2) identify the single-member precinct  
26 from which the person wishes to run.

27 Revised Law

28 Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER;  
29 APPLICABILITY OF OTHER LAW. Section 49.056(c), Water Code, does  
30 not apply to the district. (Acts 76th Leg., R.S., Ch. 1104, Sec.  
31 2(d).)

32 Source Law

33 (d) The provisions of Section 49.056(c), Water  
34 Code, do not apply to the District.

35 Revisor's Note  
36 (End of Subchapter)

37 The revised law omits as executed Sections  
38 2(a)-(e), Chapter 544, Acts of the 74th Legislature,  
39 Regular Session, 1995, as amended by Section 1,  
40 Chapter 1104, Acts of the 76th Legislature, Regular

1 Session, 1999. Those sections governed the conversion  
2 of the board to a seven-member board. The conversion  
3 of the board to a seven-member board was completed in  
4 1998 and validated in 1999. In addition, Section 3,  
5 Chapter 544, Acts of the 74th Legislature, Regular  
6 Session, 1995, refers to directors' terms under  
7 Section 2(d) in a cross-reference. The revised law  
8 omits the reference to Section 2(d) because the  
9 revised law omits Section 2(d). The omitted law reads:

10           Sec. 2. (a) The board in office on  
11 the effective date of this Act shall divide  
12 the district into five numbered  
13 single-member precincts not later than  
14 January 1, 1996.

15           (b) The division of the district into  
16 single-member precincts does not affect the  
17 terms of directors in office on the  
18 effective date of this Act. Each director  
19 serves until the director's term expires. On  
20 expiration of a director's term, the  
21 director's position is converted to a  
22 single-member precinct position.

23           (c) At the board election held on the  
24 first Saturday in May of 1996, five  
25 directors shall be elected. One director  
26 shall be elected from each of single-member  
27 precincts numbers two, three, and four. Two  
28 directors shall be elected from the  
29 district at large. A director whose term  
30 expires in 1996 may seek election to an  
31 at-large position or a single-member  
32 position for which the director qualifies.

33           (d) The directors elected to  
34 single-member precinct positions and the  
35 director elected at large who receives the  
36 most votes in the May 1996 election serve  
37 four-year terms. The remaining at-large  
38 director serves a two-year term.

39           (e) At the board election held on the  
40 first Saturday in May of 1998, one director  
41 shall be elected from each of single-member  
42 precincts numbers one and five to serve  
43 four-year terms. One director shall be  
44 elected from the district at large to serve  
45 a four-year term. A director whose term  
46 expires in 1998 may seek election to a  
47 vacant at-large position or a single-member  
48 precinct position for which the director  
49 qualifies.

50           Sec. 3. . . . except as provided by  
51 Subsection (d) of Section 2 of this Act.

52 [Sections 9007.055-9007.100 reserved for expansion]

1 SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

2 Revised Law

3 Sec. 9007.101. AUTHORITY TO EXCLUDE LAND. (a) The board by  
4 resolution may exclude from the district land that:

5 (1) is inside the district but was not included in the  
6 district when the district was created; and

7 (2) has been subdivided into town lots and blocks,  
8 with streets or other thoroughfares dedicated to the use of the  
9 public.

10 (b) A map and the dedication of the land must be filed for  
11 record with the county clerk of the county in which the land is  
12 located before the board adopts the resolution to exclude the land.

13 (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

14 Source Law

15 Sec. 1. When there is inside the  
16 Bexar-Medina-Atascosa Counties Water Improvement  
17 District No. 1 land which was not included in the  
18 district at the time the district was created, and when  
19 the land has been subdivided into town lots and blocks,  
20 with streets or other thoroughfares dedicated to the  
21 use of the public, and when a map and the dedication  
22 have been filed for record with the county clerk of the  
23 county in which the land is located, the board of the  
24 district may by resolution discontinue the land as a  
25 part of the district. . . .

26 Revised Law

27 Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES. The  
28 secretary of the district shall enter a resolution passed under  
29 Section 9007.101 in the board's minutes. (Acts 63rd Leg., R.S., Ch.  
30 605, Sec. 1 (part).)

31 Source Law

32 Sec. 1. . . . When the resolution is passed,  
33 the secretary of the district shall enter it in the  
34 minutes of the board of directors of the district, and  
35 . . . .

36 Revised Law

37 Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION. From and  
38 after the time the secretary of the district enters a resolution  
39 under Section 9007.102, the excluded land is no longer:

40 (1) part of the district; or

41 (2) entitled to be served with water by the district.

1 (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

2 Source Law

3 Sec. 1. . . . [When the resolution is passed,  
4 the secretary of the district shall enter it in the  
5 minutes of the board of directors of the district, and]  
6 from that time, the territory is excluded from the  
7 district and is no longer entitled to be served with  
8 water by the district.

9 [Sections 9007.104-9007.150 reserved for expansion]

10 SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING

11 Revised Law

12 Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY. The board  
13 may exclude property from the district if the board, after notice  
14 and hearing, finds that exclusion of the property is in the best  
15 interest of the district and that:

16 (1) the property is not irrigable with water purchased  
17 from the district because:

18 (A) the district cannot deliver water by gravity  
19 flow to a high point on the property to irrigate the property;

20 (B) the property is subdivided into tracts of  
21 less than 10 acres; or

22 (C) the property is subdivided into town lots,  
23 town lots and blocks, or similar small parcels of any size that will  
24 not be used for agricultural purposes or are suitable for a  
25 residential, commercial, or other nonagricultural purpose; or

26 (2) the property has not been irrigated with water  
27 purchased from the district for a period of not less than three  
28 years before the date the notice for the hearing is mailed. (Acts  
29 73rd Leg., R.S., Ch. 370, Sec. 2.)

30 Source Law

31 Sec. 2. The district may exclude property from  
32 the district if the board finds after notice and  
33 hearing that exclusion of the property is in the best  
34 interest of the district and that:

35 (1) the property is not irrigable with  
36 water purchased from the district because:

37 (A) the district cannot deliver water  
38 by gravity flow to a high point on the property to  
39 irrigate the property;

40 (B) the property is subdivided into  
41 tracts of less than 10 acres; or

42 (C) the property is subdivided into  
43 town lots, town lots and blocks, or similar small

1 parcels of any size that will not be used for  
2 agricultural purposes or are suitable for a  
3 residential, a commercial, or another nonagricultural  
4 purpose; or

5 (2) the property has not been irrigated  
6 with water purchased from the district for a period of  
7 not less than three years before the date the notice  
8 for the hearing was mailed.

9 Revised Law

10 Sec. 9007.152. GROUNDS FOR HEARING. If the board has  
11 information that property located in the district is not irrigated  
12 or irrigable, the board may call and hold a hearing to determine  
13 whether to exclude the property from the district. (Acts 73rd Leg.,  
14 R.S., Ch. 370, Sec. 3(a).)

15 Source Law

16 Sec. 3. (a) If the board has information that  
17 property in the district is not irrigated or  
18 irrigable, the board may call and hold a hearing to  
19 determine whether to exclude the property.

20 Revised Law

21 Sec. 9007.153. NOTICE OF HEARING; PUBLICATION. (a) The  
22 board, by certified mail, return receipt requested, shall issue to  
23 each owner of property in the area proposed to be excluded a written  
24 notice of a hearing to be held under this subchapter. For purposes  
25 of this subsection, the board shall use the current tax rolls of the  
26 district to determine property ownership.

27 (b) The board shall issue a notice under Subsection (a) not  
28 earlier than the 21st day and not later than the 16th day before the  
29 date of a hearing held under this subchapter. The notice must:

30 (1) describe the property proposed to be excluded;

31 (2) describe the basis for the proposed exclusion;

32 (3) state the time, date, and location of the hearing;

33 and

34 (4) advise that an interested property owner has the  
35 right to appear at the hearing to offer evidence to contest the  
36 proposed exclusion.

37 (c) The board shall publish notice of a hearing to be held  
38 under this subchapter at least once a week for two consecutive weeks  
39 in a newspaper of general circulation in each county in which the  
40 property proposed to be excluded is located. The first published

1 notice must appear in the newspaper not earlier than the 40th day  
2 and not later than the 16th day before the date of the hearing. The  
3 notice must:

4 (1) describe the property proposed to be excluded;

5 (2) state the time, date, and location of the hearing;

6 and

7 (3) advise that an interested property owner has the  
8 right to appear at the hearing and to offer evidence to contest the  
9 proposed exclusion. (Acts 73rd Leg., R.S., Ch. 370, Secs. 3(b),  
10 (c).)

#### 11 Source Law

12 (b) The board by certified mail, return receipt  
13 requested, not earlier than the 21st day or later than  
14 the 16th day before the date of the hearing shall issue  
15 written notice of the hearing to each owner of property  
16 in the area proposed to be excluded as shown on the  
17 current tax rolls of the district. The notice must:

18 (1) describe the property proposed to be  
19 excluded;

20 (2) describe the basis for the proposed  
21 exclusion;

22 (3) state the time, date, and location of  
23 the hearing; and

24 (4) advise that an interested property  
25 owner has the right to appear at the hearing to offer  
26 evidence to contest the exclusion.

27 (c) The board shall publish notice of the  
28 hearing at least once a week for two consecutive weeks  
29 in a newspaper of general circulation in each county in  
30 which the property proposed to be excluded is located.  
31 The first notice must appear not earlier than the 40th  
32 day before or later than the 16th day before the date  
33 of the hearing. The notice must:

34 (1) describe the property proposed to be  
35 excluded;

36 (2) state the time, date, and location of  
37 the hearing; and

38 (3) advise that an interested property  
39 owner has the right to appear at the hearing and to  
40 offer evidence to contest the exclusion.

#### 41 Revised Law

42 Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS. If  
43 the district has outstanding bonded indebtedness, or indebtedness  
44 under a loan from a governmental agency, a written consent from an  
45 authorized representative of the holder or holders of the  
46 indebtedness consenting to an exclusion of land from the district  
47 under this subchapter shall be obtained and filed with the district  
48 before a hearing is held under this subchapter. (Acts 73rd Leg.,

1 R.S., Ch. 370, Sec. 6.)

2 Source Law

3 Sec. 6. If the district has outstanding bonded  
4 indebtedness, or indebtedness under a loan from a  
5 governmental agency, a written consent from an  
6 authorized representative of the holder or holders of  
7 the indebtedness consenting to the exclusion shall be  
8 obtained and filed with the district before the  
9 hearing.

10 Revised Law

11 Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL. An interested  
12 person may:

13 (1) bring a suit to review an exclusion order issued  
14 under this subchapter in the manner provided by Section 49.308,  
15 Water Code; and

16 (2) appeal as provided by Section 49.308(c), Water  
17 Code. (Acts 73rd Leg., R.S., Ch. 370, Sec. 4.)

18 Source Law

19 Sec. 4. An interested person may bring a suit to  
20 review an order of the board excluding property under  
21 this Act in the manner provided by Sections  
22 51.698-51.700, Water Code, and may appeal as provided  
23 by Section 51.701, Water Code, and their subsequent  
24 amendments.

25 Revisor's Note

26 Section 4, Chapter 370, Acts of the 73rd  
27 Legislature, Regular Session, 1993, authorizes an  
28 interested person to bring suit to review an exclusion  
29 order under Sections 51.698-51.700, Water Code.  
30 Section 4 also authorizes an interested person to  
31 appeal a district court decision regarding an  
32 exclusion order under Section 51.701, Water Code.  
33 Sections 51.698-51.701, Water Code, were repealed by  
34 Section 40, Chapter 715, Acts of the 74th Legislature,  
35 Regular Session, 1995. However, the substance of  
36 those provisions is included in Section 49.308, Water  
37 Code, which the legislature enacted in the same act  
38 that repealed Sections 51.698-51.701, Water Code. For  
39 that reason, the revised law substitutes references to  
40 Section 49.308, Water Code, for the references to



1 Sections 51.698-51.701, Water Code.

2 Revised Law

3 Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION. (a) The  
4 district shall record a copy of an exclusion order issued under this  
5 subchapter in the real property records of the county in which the  
6 excluded property is located. The copy of the order must be  
7 certified and acknowledged by the secretary of the board.

8 (b) The board shall provide a copy of the order to the Texas  
9 Commission on Environmental Quality not later than the 30th day  
10 after the date the board issues the order. (Acts 73rd Leg., R.S.,  
11 Ch. 370, Secs. 5, 8.)

12 Source Law

13 Sec. 5. The board shall furnish to the Texas  
14 Natural Resource Conservation Commission a copy of the  
15 order excluding the property not later than the 30th  
16 day after the date the board issues the order.

17 Sec. 8. The district shall record, in the real  
18 property records of the county in which the excluded  
19 property is located, a copy of the order excluding the  
20 property from the district. The copy must be certified  
21 and acknowledged by the secretary of the board.

22 Revisor's Note

23 Section 5, Chapter 370, Acts of the 73rd  
24 Legislature, Regular Session, 1993, refers to the  
25 Texas Natural Resource Conservation Commission.  
26 Effective January 1, 2004, Section 18.01, Chapter 965,  
27 Acts of the 77th Legislature, Regular Session, 2001,  
28 changed the name of the Texas Natural Resource  
29 Conservation Commission to the Texas Commission on  
30 Environmental Quality. The revised law is drafted  
31 accordingly.

32 Revised Law

33 Sec. 9007.157. EFFECT OF EXCLUSION. (a) Property excluded  
34 under this subchapter is not a part of the district and is not  
35 entitled to purchase water from or to receive any other service from  
36 the district.

37 (b) A tax, assessment, or other charge on the excluded  
38 property that is owed to the district at the time the exclusion

1 order takes effect remains the obligation of the owner of the  
2 excluded property and continues to be secured by any statutory  
3 liens on the property.

4 (c) After property is excluded under this subchapter, the  
5 owner of the property is not liable to the district for future  
6 taxes, assessments, or other charges of the district based on the  
7 excluded property. (Acts 73rd Leg., R.S., Ch. 370, Sec. 7.)

8 Source Law

9 Sec. 7. (a) Property excluded under this Act is  
10 not within the district and is not entitled to purchase  
11 water from or to receive any other service from the  
12 district.

13 (b) Taxes, assessments, or other charges on the  
14 excluded property that are owed to the district at the  
15 time the order of exclusion takes effect remain the  
16 obligation of the owner of the excluded property and  
17 continue to be secured by statutory liens on the  
18 property, if any.

19 (c) After property is excluded, the owner of the  
20 property has no further liability to the district for  
21 future taxes, assessments, or other charges of the  
22 district based on that property.

23 Revised Law

24 Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS. An  
25 exclusion order issued under this subchapter does not affect or  
26 interfere with any rights that the district has to maintain and  
27 continue operation of an easement, canal, ditch, pipeline, pump, or  
28 other district facility that is located on the excluded property  
29 for the purpose of servicing property remaining in the district.  
30 (Acts 73rd Leg., R.S., Ch. 370, Sec. 9.)

31 Source Law

32 Sec. 9. The order to exclude property does not  
33 affect or interfere with any rights that the district  
34 has to maintain and continue operation of any  
35 easements, canals, ditches, pipelines, pumps, or other  
36 facilities of the district that are located on  
37 excluded property for the purpose of servicing  
38 property remaining in the district.

39 Revised Law

40 Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY. (a) At  
41 the sole discretion of the board, after the board issues an  
42 exclusion order under this subchapter, property may be added to the  
43 district if the property is:

44 (1) practically irrigable with water purchased from

1 the district; and

2 (2) in the aggregate less than or equal to the acreage  
3 of property excluded under the exclusion order.

4 (b) Property may be added to the district under this section  
5 only if the owner of the property files a petition requesting  
6 inclusion. If the owner requesting inclusion already has acreage  
7 within the district, all taxes and other assessments owed to the  
8 district by the owner must be current before the board may consider  
9 the petition requesting inclusion. (Acts 73rd Leg., R.S., Ch. 370,  
10 Sec. 10.)

11 Source Law

12 Sec. 10. (a) At the sole discretion of the  
13 board, after the exclusion order is issued by the  
14 board, property may be added to the district if the  
15 property is:

16 (1) practically irrigable with water  
17 purchased from the district; and

18 (2) in the aggregate less than or equal to  
19 the acreage of property being excluded.

20 (b) Property may be added to the district under  
21 this Act only if the owner of the property files a  
22 petition requesting inclusion. If the owner already  
23 has acreage within the district, all taxes and other  
24 assessments owed to the district by the owner must be  
25 current before the petition may be considered by the  
26 board.

27 Revisor's Note  
28 (End of Chapter)

29 (1) Section 11, Chapter 370, Acts of the 73rd  
30 Legislature, Regular Session, 1993, relates to  
31 conflicts with other laws and the cumulative effect of  
32 that act. The revised law omits the provision  
33 regarding conflicts because that provision duplicates  
34 in substance Section 311.026, Government Code (Code  
35 Construction Act). The revised law omits the  
36 provision regarding the cumulative effect of laws  
37 because an accepted general principle of statutory  
38 construction requires that a statute be given  
39 cumulative effect with other statutes unless the  
40 statute provides otherwise or unless the statutes are  
41 in conflict. The general principle applies to the  
42 revised law. The omitted law reads:

1           Sec. 11. The rights, remedies, and  
2 powers conferred by this Act on the district  
3 are cumulative of all other rights,  
4 remedies, and powers otherwise available to  
5 the district under general law. This Act  
6 prevails over any conflict with the general  
7 law that applies to the district.

8           (2) The revised law omits as executed Section  
9 12, Chapter 370, Acts of the 73rd Legislature, Regular  
10 Session, 1993, relating to the applicability of that  
11 act to the Texas Water Commission until the name of the  
12 Texas Water Commission was changed to the Texas  
13 Natural Resource Conservation Commission. Effective  
14 September 1, 1993, Section 1.085, Chapter 3, Acts of  
15 the 72nd Legislature, 1st Called Session, 1991,  
16 changed the name of the Texas Water Commission to the  
17 Texas Natural Resource Conservation Commission.  
18 Furthermore, effective January 1, 2004, Section 18.01,  
19 Chapter 965, Acts of the 77th Legislature, Regular  
20 Session, 2001, changed the name of the Texas Natural  
21 Resource Conservation Commission to the Texas  
22 Commission on Environmental Quality. The omitted law  
23 reads:

24           Sec. 12. The reference in Section 5  
25 of this Act to the Texas Natural Resource  
26 Conservation Commission means the Texas  
27 Water Commission until the name of the Texas  
28 Water Commission is changed to the Texas  
29 Natural Resource Conservation Commission as  
30 provided by Section 1.085, Chapter 3, Acts  
31 of the 72nd Legislature, 1st Called  
32 Session, 1991.

33           (3) Section 6, Chapter 544, Acts of the 74th  
34 Legislature, Regular Session, 1995, states that the  
35 notice, introduction, and passage of the act satisfied  
36 the requirements of the Texas Constitution, other laws  
37 of this state, and rules and procedures of the  
38 legislature. Section 6 also provides that the Texas  
39 Natural Resource Conservation Commission has filed its  
40 recommendations relating to the act. The revised law  
41 omits these provisions as executed. The omitted law

1 reads:

2 Sec. 6. (a) The proper and legal  
3 notice of the intention to introduce this  
4 Act, setting forth the general substance of  
5 this Act, has been published as provided by  
6 law, and the notice and a copy of this Act  
7 have been furnished to all persons,  
8 agencies, officials, or entities to which  
9 they are required to be furnished by the  
10 constitution and other laws of this state,  
11 including the governor, who has submitted  
12 the notice and Act to the Texas Natural  
13 Resource Conservation Commission.

14 (b) The Texas Natural Resource  
15 Conservation Commission has filed its  
16 recommendations relating to this Act with  
17 the governor, lieutenant governor, and  
18 speaker of the house of representatives  
19 within the required time.

20 (c) All requirements of the  
21 constitution and laws of this state and the  
22 rules and procedures of the legislature  
23 with respect to the notice, introduction,  
24 and passage of this Act are fulfilled and  
25 accomplished.

26 (4) The revised law omits as executed Sections  
27 2(a), (b), and (c), Chapter 1104, Acts of the 76th  
28 Legislature, Regular Session, 1999. Section 2(a)  
29 validates certain governmental acts and proceedings of  
30 the district. Section 2(b) provides that Chapter 1104  
31 does not validate any governmental act or proceeding  
32 of the district that was void or was a misdemeanor or a  
33 felony at the time of the act or proceeding. Section  
34 2(c) provides that Chapter 1104 does not apply to  
35 certain matters being litigated on the effective date  
36 of Chapter 1104. Sections 311.031(a)(1) and (2),  
37 Government Code (Code Construction Act), applicable to  
38 the revised law, provide that the repeal of a statute  
39 does not affect the prior operation of the statute or  
40 any validation acquired under the statute. The  
41 omitted law reads:

42 Sec. 2. (a) All governmental acts  
43 and proceedings of the district not  
44 excepted by this Act are validated as of the  
45 dates on which they occurred. This  
46 validation includes the validation of a  
47 governmental act or proceeding relating to  
48 the election of board members for the  
49 district.

50 (b) This Act does not validate any

1 governmental acts or proceedings that were  
2 void or which, under the statutes of this  
3 state at the time the actions or proceedings  
4 occurred, were a misdemeanor or felony.

5 (c) This Act does not apply to a  
6 matter that on the effective date of this  
7 Act:

8 (1) is involved in litigation  
9 if the litigation ultimately results in the  
10 matter being held invalid by a final  
11 judgment of a court of competent  
12 jurisdiction; or

13 (2) has been held invalid by a  
14 final judgment of a court of competent  
15 jurisdiction.

16 CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND  
17 RECLAMATION DISTRICT

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11 CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND  
12 RECLAMATION DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Revised Law

15 Sec. 9302.001. DEFINITIONS. In this chapter:

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

17 (2) "District" means the Aransas County Conservation  
18 and Reclamation District. (V.A.C.S. Art. 8280-296, Sec. 1 (part);  
19 New.)

20 Source Law

21 Sec. 1. . . . to be known as "Aransas County  
22 Conservation and Reclamation District" (hereinafter  
23 referred to as the District), . . . .

24 Revisor's Note

25 The definition of "board" is added to the revised  
26 law for drafting convenience and to eliminate  
27 frequent, unnecessary repetition of the substance of  
28 the definition.

29 Revised Law

30 Sec. 9302.002. CREATION; NATURE OF DISTRICT. (a) The  
31 district is a conservation and reclamation district and a political  
32 subdivision created under Section 59, Article XVI, Texas  
33 Constitution.

34 (b) A court shall take judicial notice of the district's  
35 creation. (V.A.C.S. Art. 8280-296, Secs. 1 (part), 3 (part).)





1 foster the erroneous belief that a constitutional  
2 requirement is merely statutory and subject to  
3 amendment through the ordinary legislative process.

4 Revised Law

5 Sec. 9302.003. LEGISLATIVE FINDINGS. (a) The legislature  
6 finds that:

7 (1) the district will benefit all of the area of the  
8 district;

9 (2) the district will serve a public use and be a  
10 public benefit;

11 (3) the district is essential to the accomplishment of  
12 the preservation and conservation of the natural resources of this  
13 state; and

14 (4) the district's creation is in the public interest.

15 (b) The accomplishment of the purposes stated in this  
16 chapter are for the benefit of the people of this state and for the  
17 improvement of their properties and industries. The district in  
18 carrying out the purposes of this chapter will be performing an  
19 essential public function under the constitution of this state.  
20 (V.A.C.S. Art. 8280-296, Secs. 1 (part), 13 (part), 17 (part).)

21 Source Law

22 Sec. 1. . . . It is hereby found and declared  
23 that all of the area of the District will be benefited  
24 and that the District hereby created will serve a  
25 public use and be of public benefit.

26 Sec. 13. District and Bonds Exempt from  
27 Taxation. The accomplishment of the purposes stated  
28 in this Act being for the benefit of the people of this  
29 state and for the improvement of their properties and  
30 the industries, the District in carrying out the  
31 purposes of this Act will be performing an essential  
32 public function under the Constitution and . . . .

33 Sec. 17. . . . [the legislature finds] that the  
34 District herein created is essential to the  
35 accomplishment of such purposes [the preservation and  
36 conservation of the natural resources of this state]  
37 and that this Act therefore operates on a subject in  
38 which the state and the public at large are  
39 interested. . . .

40 Revisor's Note

41 Section 17, V.A.C.S. Article 8280-296, contains  
42 legislative findings relating to the fulfillment of

1 the legislature's duty to enact Article 8280-296. The  
2 revised law omits that provision as executed. The  
3 omitted law reads:

4           Sec. 17. District Declared Essential.  
5 The Legislature hereby declares that the  
6 enactment hereof is in fulfillment of a duty  
7 conferred upon it by Section 59 of Article  
8 XVI of the Constitution of the State of  
9 Texas wherein it is required to pass such  
10 laws as may be appropriate in the  
11 preservation and conservation of the  
12 natural resources of the state; . . . .

13                                   Revised Law

14           Sec. 9302.004. LIBERAL CONSTRUCTION OF CHAPTER. This  
15 chapter shall be liberally construed to effect its purposes.  
16 (V.A.C.S. Art. 8280-296, Sec. 17 (part).)

17                                   Source Law

18           Sec. 17. . . . All the terms and provisions of  
19 this Act are to be liberally construed to effectuate  
20 the purposes herein set forth.

21                                   Revised Law

22           Sec. 9302.005. CORRECTION OF INVALID PROCEDURES. If a  
23 court holds that a procedure under this chapter violates the  
24 constitution of this state or of the United States, the district by  
25 resolution may provide an alternative procedure that conforms to  
26 the constitution. (V.A.C.S. Art. 8280-296, Sec. 18 (part); Acts  
27 62nd Leg., R.S., Ch. 582, Sec. 2 (part).)

28                                   Source Law

29           [Art. 8280-296]

30           Sec. 18. . . . Where any procedure hereunder  
31 may be held by any court to be violative of either of  
32 such constitutions the District shall have the power  
33 by resolution to provide an alternative procedure  
34 conformable to such constitutions. . . .

35           [Acts 62nd Leg., R.S., Ch. 582]

36           Sec. 2. . . . Where any procedure hereunder may  
37 be held by any court to be violative of either of such  
38 constitutions the district shall have the power by  
39 resolution to provide an alternative procedure  
40 conformable to such constitutions. . . .

41                                   Revisor's Note

42           (1) Section 18, V.A.C.S. Article 8280-296, and  
43 Section 2, Chapter 582, Acts of the 62nd Legislature,  
44 Regular Session, 1971, provide that nothing in that

1 article or chapter violates the federal or state  
2 constitution, and require action under the article or  
3 chapter to comply with the constitutions. The revised  
4 law omits the references to the federal constitution  
5 as unnecessary because under the Supremacy Clause of  
6 the United States Constitution (Clause 2, Article VI),  
7 federal law always takes precedence over a state  
8 statute. The revised law also omits the references to  
9 the Texas Constitution as unnecessary because the  
10 state cannot modify constitutional requirements by  
11 statute. The omitted law reads:

12 [Art. 8280-296]

13 Sec. 18. Saving Clause. Nothing in  
14 this Act shall be construed to violate any  
15 provision of the federal or state  
16 constitutions and all acts done hereunder  
17 shall be done in such manner as may conform  
18 thereto whether herein expressly provided  
19 or not. . . .

20 [Acts 62nd Leg., R.S., Ch. 582]

21 Sec. 2. Nothing in this Act shall be  
22 construed to violate any provision of the  
23 federal or state constitutions and all acts  
24 done hereunder shall be done in such manner  
25 as may conform thereto whether herein  
26 expressly provided or not. . . .

27 (2) Section 18, V.A.C.S. Article 8280-296, and  
28 Section 2, Chapter 582, Acts of the 62nd Legislature,  
29 Regular Session, 1971, provide that the article and  
30 chapter are severable and that an invalid provision  
31 does not "affect the creation of the district." The  
32 revised law omits the provisions regarding  
33 severability because they duplicate Section 311.032,  
34 Government Code (Code Construction Act), applicable to  
35 the revised law, which provides that a provision of a  
36 statute is severable from each other provision of the  
37 statute that can be given effect. The revised law  
38 omits the provisions regarding creation of the  
39 district as executed. The omitted law reads:

40 [Art. 8280-296]

41 Sec. 18. . . . If any provision of  
42 the Act shall be invalid, such fact shall

1 not affect the creation of the District or  
2 the validity of any other provision of this  
3 Act, and the Legislature hereby declares  
4 that it would have created the District and  
5 enacted the valid provisions of this Act  
6 notwithstanding the invalidity of any other  
7 provision or provisions hereof.

8 [Acts 62nd Leg., R.S., Ch. 582]

9 Sec. 2. . . . If any provision of the  
10 act shall be invalid, such fact shall not  
11 affect the creation of the district or the  
12 validity of any other provision of this Act,  
13 and the Legislature hereby declares that it  
14 would have created the district and enacted  
15 the valid provisions of this Act  
16 notwithstanding the invalidity of any other  
17 provision or provisions hereof.

18 Revised Law

19 Sec. 9302.006. DISTRICT TERRITORY. Unless the district  
20 boundaries have been modified under Subchapter J, Chapter 49, Water  
21 Code, or other law:

22 (1) the district's boundaries are coextensive with the  
23 boundaries of Aransas County; and

24 (2) the district's territory does not include any  
25 territory that on May 31, 1963, was included in a water control and  
26 improvement district. (V.A.C.S. Art. 8280-296, Sec. 1 (part); New.)

27 Source Law

28 Sec. 1. . . . The area of the District shall  
29 consist of all of the County of Aransas, State of  
30 Texas, and the boundaries of said District shall be  
31 identical with the boundaries of said county. It is  
32 provided, however, that such District shall not  
33 include any property or territory which, on the  
34 effective date of this Act, is situated in any valid  
35 Water Control and Improvement District heretofore  
36 created. . . .

37 Revisor's Note

38 (1) Section 1, V.A.C.S. Article 8280-296,  
39 excludes from the district's boundaries territory that  
40 is in a water control and improvement district "on the  
41 effective date of this Act." For the convenience of  
42 the reader, the revised law substitutes "May 31,  
43 1963," the date on which Article 8280-296 took effect,  
44 for "the effective date of this Act."

45 (2) Section 1, V.A.C.S. Article 8280-296,  
46 refers to a "valid" water control and improvement

1 district. The revised law omits "valid" because the  
2 word does not add to the clear meaning of the law. An  
3 invalid district is not a district.

4 (3) Subchapter J, Chapter 49, Water Code,  
5 enacted in 1995 and applicable to the district under  
6 Sections 49.001 and 49.002, Water Code, provides  
7 additional methods for adding land to the district.  
8 For the reader's convenience, the revised law adds a  
9 cross-reference to that subchapter. The revised law  
10 also adds a reference to the general authority of the  
11 legislature to enact other laws to change the  
12 district's territory.

#### 13 Revised Law

14 Sec. 9302.007. APPLICABILITY OF OTHER LAW. Any law that  
15 the district considers helpful to the district in carrying out the  
16 district's purposes applies to the district, and the district has  
17 all the power necessary to fully qualify for and gain the benefits  
18 of that law. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

#### 19 Source Law

20 Sec. 3. . . . It is the intention of the  
21 Legislature that the District herein created shall  
22 have all the power and authority necessary to fully  
23 qualify and gain the benefits of any and all laws which  
24 may be deemed helpful to it in carrying out the  
25 purposes for which the District is created, and the  
26 provisions of all such laws of which the District may  
27 determine to avail itself are hereby adopted by this  
28 reference and are made applicable to the District.  
29 . . .

#### 30 Revisor's Note

31 (1) Section 3, V.A.C.S. Article 8280-296,  
32 provides that the district has the "power and  
33 authority" necessary to fully qualify for and gain the  
34 benefits of certain laws. Throughout this chapter,  
35 the revised law omits references to "authority"  
36 because, in context, "authority" is included in the  
37 meaning of "power."

38 (2) Section 3, V.A.C.S. Article 8280-296,  
39 provides that certain laws "are hereby adopted by this

1 reference." The revised law omits the quoted language  
2 as unnecessary because this chapter provides that  
3 those laws apply to the district and it is not  
4 necessary to repeat that authority here by adopting by  
5 reference.

6 [Sections 9302.008-9302.050 reserved for expansion]

7 SUBCHAPTER B. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

8 Revised Law

9 Sec. 9302.051. COMPOSITION OF BOARD. The board consists of  
10 six directors. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

11 Source Law

12 Sec. 2. Governing Body of the District. (a) All  
13 powers of the District shall be exercised by a Board of  
14 six (6) Directors. . . .

15 Revisor's Note

16 (1) Section 2(a), V.A.C.S. Article 8280-296,  
17 provides that "[a]ll powers of the District shall be  
18 exercised by" the board. The revised law omits the  
19 quoted language because it duplicates, in substance,  
20 provisions of Sections 49.051 and 49.057, Water Code,  
21 which apply to the district under Sections 49.001 and  
22 49.002, Water Code.

23 (2) Section 2(a), V.A.C.S. Article 8280-296,  
24 provides that a director serves until the director's  
25 successor is elected or appointed and qualified. The  
26 revised law omits the provision because it duplicates  
27 Section 17, Article XVI, Texas Constitution. That  
28 section provides that an officer in this state is to  
29 continue to perform the officer's duties until the  
30 successor has qualified. The omitted law reads:

31 (a) . . . Each Director shall serve a  
32 term of office as herein provided, and  
33 thereafter until his successor shall be  
34 elected or appointed and qualified. . . .

35 (3) Section 2(a), V.A.C.S. Article 8280-296,  
36 provides that a majority of the board members  
37 constitutes a quorum. The revised law omits the

1 provision because it duplicates general law. Section  
2 311.013, Government Code (Code Construction Act),  
3 applicable to the revised law, provides that a quorum  
4 of a public body is a majority of the number of members  
5 fixed by statute. In addition, Section 49.053, Water  
6 Code, applicable to the revised law by operation of  
7 Sections 49.001 and 49.002, Water Code, provides that  
8 a majority of a board constitutes a quorum. The  
9 omitted law reads:

10 (a) . . . A majority of said Board  
11 shall constitute a quorum for the  
12 transaction of any and all business.

13 Revised Law

14 Sec. 9302.052. ELIGIBILITY TO SERVE. A director must  
15 reside in and own land in the district. (V.A.C.S. Art. 8280-296,  
16 Sec. 2(a) (part).)

17 Source Law

18 (a) . . . No person shall be a Director unless  
19 he is at least twenty-one years of age, resides in and  
20 owns land in the territorial limits of the  
21 District. . . .

22 Revisor's Note

23 (1) Section 2(a), V.A.C.S. Article 8280-296,  
24 provides that a person must be "at least twenty-one  
25 years of age" to be a director. The revised law omits  
26 that provision because Chapter 129, Civil Practice and  
27 Remedies Code, establishes 18 years as the age of  
28 majority in this state. Section 129.002, Civil  
29 Practice and Remedies Code, provides that a law  
30 adopted before August 27, 1973, that extends a right,  
31 privilege, or obligation to an individual on the basis  
32 of a minimum age of 19, 20, or 21 years shall be  
33 interpreted as prescribing a minimum age of 18 years.  
34 Section 2(a) was enacted in 1963 and has not been  
35 amended.

36 (2) Section 2(a), V.A.C.S. Article 8280-296,  
37 requires each director to take the constitutional oath



1 of office. The revised law omits the provision because  
2 Section 1, Article XVI, Texas Constitution, requires  
3 all officers to take an oath or affirmation before  
4 assuming office. The omitted law reads:

5 (a) . . . Said Directors shall  
6 subscribe to the constitutional oath of  
7 office and . . . .

8 Revised Law

9 Sec. 9302.053. DIRECTORS ELECTION. (a) Notice of a  
10 directors election shall be published in a newspaper of general  
11 circulation in the district one time at least 30 days before the  
12 date of the election.

13 (b) The election order must state the time and places at  
14 which the election will be held and the purpose of the election.

15 (c) The board shall declare elected the three candidates who  
16 receive the highest number of votes. (V.A.C.S. Art. 8280-296, Sec.  
17 2(c) (part).)

18 Source Law

19 (c) . . . Elections of two (2) Directors to  
20 serve for six (6) year terms shall be held on the first  
21 Tuesday in April 1964 and on the first Tuesday of each  
22 even-numbered year thereafter. Such election shall be  
23 ordered by the Board of Directors. Notice of the  
24 election shall be published in a newspaper of general  
25 circulation in the District one (1) time at least  
26 thirty (30) days before the election. The election  
27 order shall state the time, the place or places and  
28 purpose of the election, and the Board of Directors  
29 shall appoint a presiding judge who shall appoint one  
30 (1) assistant judge and at least two (2) clerks to  
31 assist in holding such election. Only qualified  
32 electors residing in the District shall be entitled to  
33 vote at said election. The candidates receiving the  
34 highest number of votes shall be declared elected.  
35 Returns of the election shall be made to and canvassed  
36 by the Board of Directors of said District, which shall  
37 enter its order declaring the results of the election.

38 Revisor's Note

39 (1) Section 2(c), V.A.C.S. Article 8280-296,  
40 provides that director elections shall be held "on the  
41 first Tuesday in April" of each even-numbered year.  
42 The revised law omits the reference to the first  
43 Tuesday in April because that provision was superseded  
44 by the 1995 enactment and 1997 amendment of Section

1 49.103(b), Water Code, applicable to the district  
2 under Sections 49.001(a), 49.002, and 49.103(e), Water  
3 Code.

4 (2) Section 2(c), V.A.C.S. Article 8280-296,  
5 specifies that director elections are to be held in  
6 "1964." The revised law omits the quoted text as  
7 executed.

8 (3) Section 2(c), V.A.C.S. Article 8280-296  
9 (enacted in 1963), provides for "[e]lections of two  
10 (2) Directors to serve for six (6) year terms" that are  
11 held each even-numbered year. The revised law omits  
12 the quoted language as expressly superseded by the  
13 enactment of Section 49.103, Water Code, by Chapter  
14 715, Acts of the 74th Legislature, Regular Session,  
15 1995. Section 49.103, Water Code, provides for a  
16 four-year term for directors, with elections held each  
17 even-numbered year. The revised law clarifies that  
18 three directors are elected each even-numbered year.

19 (4) Section 2(c), V.A.C.S. Article 8280-296,  
20 provides that the board shall order the election of  
21 directors. The revised law omits that provision  
22 because it duplicates Section 3.004, Election Code,  
23 applicable to the district under Section 1.002,  
24 Election Code. Section 3.004 requires the governing  
25 body of a political subdivision that has elective  
26 offices to order the general election for those  
27 officers.

28 (5) Section 2(c), V.A.C.S. Article 8280-296  
29 (enacted in 1963), provides that the board "shall  
30 appoint a presiding judge who shall appoint one (1)  
31 assistant judge and at least two (2) clerks to assist  
32 in holding such election." The revised law omits the  
33 quoted language as superseded by the 1985 enactment of  
34 the Election Code, applicable to the district under

1 Section 1.002, Election Code. Chapter 32, Election  
2 Code, governs the selection of election judges and  
3 clerks.

4 (6) Section 2(c), V.A.C.S. Article 8280-296,  
5 provides that "[o]nly qualified electors residing in  
6 the District shall be entitled to vote at said  
7 election," meaning the directors election. The  
8 revised law omits the quoted language because it  
9 duplicates general law. Sections 11.001(a)(1) and  
10 (2), Election Code, provide that to be eligible to vote  
11 in an election a person must be a qualified voter as  
12 defined by Section 11.002, Election Code, and be a  
13 resident of the territory covered by the election.

14 (7) Section 2(c), V.A.C.S. Article 8280-296  
15 (enacted in 1963), provides that after an election for  
16 new directors "[r]eturns of the election shall be made  
17 to and canvassed by the Board of Directors of said  
18 District, which shall enter its order declaring the  
19 results of the election." The revised law omits the  
20 quoted language as superseded by the 1985 enactment of  
21 the Election Code, applicable to the district under  
22 Section 1.002, Election Code. Chapter 67, Election  
23 Code, provides for the canvass of elections.

24 (8) Section 2(c), V.A.C.S. Article 8280-296,  
25 provides for the terms of the initial directors. The  
26 revised law omits the provision as executed. The  
27 omitted law reads:

28 (c) The first two (2) named Directors  
29 in Section 3(b), above, shall serve until  
30 the first Tuesday in April, 1964, and  
31 thereafter until their successors have been  
32 declared elected and qualified, the  
33 following two (2) named Directors shall  
34 serve until the first Tuesday in April,  
35 1966, and thereafter until their successors  
36 have been declared elected and qualified,  
37 and the last two (2) named Directors shall  
38 serve until the first Tuesday in April, 1968  
39 and thereafter until their successors have  
40 been declared elected and qualified. . . .

1 Revised Law

2 Sec. 9302.054. BALLOT PROCEDURE FOR CANDIDATE. (a) A  
3 person who wants to have the person's name printed on the ballot as  
4 a candidate for director must submit a petition to the board's  
5 secretary requesting that action.

6 (b) The petition must be:

7 (1) signed by at least 10 qualified voters; and

8 (2) presented to the board's secretary not later than  
9 the 10th day before the date of the election. (V.A.C.S. Art.  
10 8280-296, Sec. 2(d).)

11 Source Law

12 (d) Any candidate for Director, desiring to have  
13 his name printed on the ballot may do so by a petition  
14 so requesting signed by not less than ten (10)  
15 residents of the District who are qualified to vote at  
16 the election. Such petition shall be presented to the  
17 Secretary of the Board of Directors, not less than ten  
18 (10) full days prior to the date of the election.

19 Revised Law

20 Sec. 9302.055. APPOINTMENT OF SECRETARY. The board shall  
21 appoint a secretary, who is not required to be a director.  
22 (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

23 Source Law

24 (g) . . . The Board shall also appoint a  
25 Secretary, who may or may not be a member of the Board.  
26 . . .

27 Revisor's Note

28 Section 2(g), V.A.C.S. Article 8280-296,  
29 provides in part for the election of officers by the  
30 board, names the board president as chief executive  
31 officer, and provides the duties of the board vice  
32 president. The revised law omits those provisions as  
33 duplicative of Section 49.054, Water Code, enacted in  
34 1995, which applies to the district by application of  
35 Sections 49.001 and 49.002, Water Code. The omitted  
36 law reads:

37 (g) The Board of Directors of the  
38 District shall elect from its number a  
39 President and Vice-President, and such  
40 other officers as in the judgment of the

1 Board are necessary. The President shall be  
2 the chief executive officer, and the  
3 presiding officer of the Board, and . . . .  
4 The Vice-President shall perform all duties  
5 and exercise all power conferred by this Act  
6 upon the President when the President is  
7 absent or fails to or declines to act. . . .

8 Revised Law

9 Sec. 9302.056. VOTE BY BOARD PRESIDENT. The president has  
10 the same right to vote as any other director. (V.A.C.S.  
11 Art. 8280-296, Sec. 2(g) (part).)

12 Source Law

13 (g) . . . The President . . . shall have the  
14 same right to vote as any other Director. . . .

15 Revised Law

16 Sec. 9302.057. BOND. Each director shall execute a bond for  
17 \$5,000 conditioned on the faithful performance of the person's  
18 duties as director. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

19 Source Law

20 (a) . . . each [director] shall give bond in  
21 the amount of Five Thousand Dollars (\$5,000) for the  
22 faithful performance of his duties, the cost of which  
23 shall be paid by the District. . . .

24 Revisor's Note

25 Section 2(a), V.A.C.S. Article 8280-296,  
26 provides that the district shall pay the cost of a  
27 director's bond. The revised law omits the provision  
28 because it duplicates, in substance, Section  
29 49.055(c), Water Code, which applies to the district  
30 under Sections 49.001 and 49.002, Water Code.

31 Revised Law

32 Sec. 9302.058. COMPENSATION OF DIRECTORS. Unless the board  
33 by resolution increases the amount received by a director to an  
34 amount authorized by Section 49.060, Water Code, a director shall  
35 receive \$25 for each board meeting the director attends. The amount  
36 received in a calendar month may not exceed \$100. (V.A.C.S. Art.  
37 8280-296, Sec. 2(f) (part).)

38 Source Law

39 (f) Each Director shall receive Twenty-Five  
40 Dollars (\$25) per meeting of the Board of Directors  
41 which he attends, but not to exceed One Hundred Dollars

1 (\$100) in any one calendar month. . . .

2 Revisor's Note

3 (1) Section 2(f), V.A.C.S. Article 8280-296,  
4 provides in part for a \$25 director's fee for  
5 attendance at a board meeting, not to exceed \$100 in a  
6 calendar month. Section 49.060, Water Code, enacted  
7 in 1995 and applicable by its own terms to the  
8 district, authorizes higher fees. Section 49.060(e),  
9 however, provides that if the amount of the fee set by  
10 Section 49.060 would result in a fee increase, the  
11 increase does not apply to a district unless the  
12 district's board by resolution adopts a higher fee.  
13 The revised law is drafted accordingly.

14 (2) Section 2(f), V.A.C.S. Article 8280-296  
15 (enacted in 1963), provides in part for reimbursement  
16 of expenses incurred in attending to district business  
17 if approved by the board. The revised law omits the  
18 provision because it is expressly superseded by  
19 Section 49.060, Water Code (enacted in 1995). The  
20 omitted law reads:

21 (f) . . . Said Directors shall also  
22 be entitled to receive reimbursement for  
23 actual expenses incurred in attending to  
24 District business, provided that such  
25 expenses are approved by the Board.

26 Revised Law

27 Sec. 9302.059. MEETINGS. (a) The board shall hold  
28 regular meetings at least once a month at the time and place fixed  
29 by board resolution or board bylaws.

30 (b) The president or any two directors may call a special  
31 meeting if necessary to administer district business.

32 (c) The secretary shall mail notice of the special meeting  
33 to each director not later than the fifth day before the date of the  
34 meeting.

35 (d) A director in writing may waive notice of special  
36 meetings. (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

1 Source Law

2 (g) . . . The Directors shall hold regular  
3 meetings at least once a month at such time and place  
4 as is fixed by resolution or by laws of the Board, with  
5 at least one (1) such meeting to be held each month.  
6 The President or any two (2) members may call such  
7 special meetings as may be necessary in the  
8 administration of the District's business provided  
9 that at least five (5) days prior to the meeting date  
10 the Secretary shall have mailed notice to each member,  
11 and notice of special meetings may be waived in writing  
12 by any Director.

13 Revised Law

14 Sec. 9302.060. DISTRICT RECORDS. The board's accounts of  
15 its meetings and proceedings and its minutes, contracts, notices,  
16 accounts, receipts, and other records are subject to public  
17 inspection. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

18 Source Law

19 (h) [The Directors shall carefully keep and  
20 preserve a true and full account of all their meetings  
21 and proceedings, and preserve their minutes,  
22 contracts, records, notices, accounts, receipts and  
23 records of all kinds.] The same shall be . . . subject  
24 to public inspection. . . .

25 Revisor's Note

26 Section 2(h), V.A.C.S. Article 8280-296,  
27 requires that the board keep a full account of its  
28 meetings and proceedings and preserve its records and  
29 provides that the records are the property of the  
30 district. The revised law omits those provisions  
31 because they duplicate, in substance, part of Section  
32 49.065, Water Code, which applies to the authority  
33 under Sections 49.001 and 49.002, Water Code. The  
34 omitted law reads:

35 (h) The Directors shall carefully  
36 keep and preserve a true and full account of  
37 all their meetings and proceedings, and  
38 preserve their minutes, contracts, records,  
39 notices, accounts, receipts and records of  
40 all kinds. [The same shall be] the property  
41 of the District and . . . .

42 Revised Law

43 Sec. 9302.061. DISTRICT OFFICE. The board shall maintain  
44 an office in the district for conducting district business.  
45 (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

1 Source Law

2 (h) . . . A regular office shall be  
3 established and maintained within the District for the  
4 conduct of its business. . . .

5 Revisor's Note  
6 (End of Subchapter)

7 (1) Section 2(b), V.A.C.S. Article 8280-296,  
8 refers to the initial board of directors. The revised  
9 law omits the language as executed. The omitted law  
10 reads:

11 (b) Immediately after this Act  
12 becomes effective, the following named  
13 persons (all at least twenty-one years of  
14 age and residing and being owners of land  
15 within said District) shall be the  
16 Directors of said District, and shall  
17 constitute the Board of Directors of said  
18 District:

19 Glen Ellis  
20 Grady West  
21 J. L. Baughman  
22 R. L. Fleming  
23 Mathew Scott  
24 Harold Picton

25 If any of the aforementioned persons shall  
26 become incapacitated or otherwise not be  
27 qualified to assume his duties under this  
28 Act, the remaining Directors shall appoint  
29 his successor. Succeeding Directors shall  
30 be elected or appointed as hereinafter  
31 provided.

32 (2) Section 2(e), V.A.C.S. Article 8280-296,  
33 describes the procedure for filling a board vacancy.  
34 The revised law omits that provision because it  
35 duplicates, in substance, Section 49.105, Water Code,  
36 enacted in 1995 and applicable to the district by  
37 application of Sections 49.001 and 49.002, Water Code.  
38 Section 49.105 establishes procedures for filling a  
39 board vacancy. The omitted law reads:

40 (e) Any vacancies occurring in the  
41 Board of Directors shall be filled for the  
42 unexpired term by a majority vote of the  
43 remaining Directors.

44 (3) Section 2(g), V.A.C.S. Article 8280-296,  
45 provides that four members of the board, which is a  
46 majority of the full membership of the board,  
47 constitute a quorum. The revised law omits that



1 provision for the reason stated in Revisor's Note (3)  
2 to Section 9302.051. Section 2(g) also provides that a  
3 concurrence of a majority of a quorum present is  
4 sufficient to take action on a measure. The revised  
5 law omits that provision because, under common law,  
6 the majority of the members of a body present at a  
7 meeting may act for the body if at least a quorum is  
8 present. The omitted law reads:

9 (g) . . . Four (4) members of the  
10 Board shall constitute a quorum for the  
11 transaction of all business and a favorable  
12 vote of a majority of a quorum present shall  
13 be sufficient for the enactment of all  
14 measures. . . .

15 (4) Section 3, V.A.C.S. Article 8280-296,  
16 authorizes the district to adopt bylaws. The revised  
17 law omits the provision because it duplicates, in  
18 substance, Section 49.057(g), Water Code, which  
19 applies to the district by application of Sections  
20 49.001 and 49.002, Water Code. The omitted law reads:

21 Sec. 3. [The district has the power:]  
22 . . .  
23 (7) To make bylaws for the  
24 management and regulation of the District's  
25 affairs;  
26 . . .

27 [Sections 9302.062-9302.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Revised Law

30 Sec. 9302.101. GENERAL POWERS. The district may perform  
31 any act necessary or proper to carry out a district purpose.  
32 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

33 Source Law

34 Sec. 3. [The district has the power:]  
35 . . .  
36 (11) To do any and all other acts or things  
37 necessary or proper to carry into effect the purpose  
38 for which the District is created and organized.

39 Revised Law

40 Sec. 9302.102. GENERAL WATER SUPPLY POWERS. (a) The  
41 district may develop an adequate supply of fresh water and may

1 process, transport, and distribute fresh water for municipal,  
2 domestic, irrigation, and industrial purposes.

3 (b) The district may:

4 (1) develop, construct, lease, or purchase dams,  
5 reservoirs, underground and other sources of water, and any other  
6 facilities necessary or useful to:

7 (A) provide a source of water supply; and

8 (B) store, process, transport, and distribute  
9 water for municipal, domestic, irrigation, and industrial  
10 purposes;

11 (2) purchase water or a water supply from any person,  
12 including this state, a public agency, or the United States;

13 (3) at the board's discretion, contract and combine  
14 with one or more large users of water to acquire a joint water  
15 supply or an agreed allocation of water storage or contract  
16 independently for the district's water supply; and

17 (4) acquire water appropriation permits directly from  
18 the Texas Commission on Environmental Quality or from owners of  
19 permits. (V.A.C.S. Art. 8280-296, Secs. 3 (part), 15 (part).)

20 Source Law

21 Sec. 3. District Powers. The District herein  
22 created shall be and is hereby empowered to develop an  
23 adequate supply of fresh water and to process,  
24 transport and distribute same for municipal, domestic,  
25 irrigation and industrial purposes, but . . . .

26 Without limiting the generality of the foregoing,  
27 the District shall and is hereby empowered to exercise  
28 the following powers, privileges and functions:

29 (1) To develop, construct, lease or  
30 purchase dams, reservoirs, underground and other  
31 sources of water, and such other facilities necessary  
32 or useful for the purpose of providing a source of  
33 water supply and storing and processing such water and  
34 transporting and distributing it for municipal,  
35 domestic, irrigation and industrial purposes. The  
36 District is also authorized to purchase water or a  
37 water supply from any person, firm, corporation or  
38 public agency, from the United States government or  
39 any of its agencies. The District may, within the  
40 discretion of its Board of Directors, contract and  
41 combine with one (1) or more large users of water to  
42 acquire a joint water supply or an agreed allocation of  
43 water storage or may contract independently for the  
44 District's water supply. The District is further  
45 authorized to acquire water appropriation permits  
46 directly from the Texas Water Commission, or from  
47 owners of permits;

48 . . .



1 the agency now authorized to issue the permit, the  
2 Texas Commission on Environmental Quality, for "Texas  
3 Water Commission." The name of the Texas Water  
4 Commission was changed to the Texas Water Rights  
5 Commission by Chapter 296, Acts of the 59th  
6 Legislature, Regular Session, 1965. In 1977, the name  
7 of the agency was changed to the Texas Water  
8 Commission. See Sections 1, 8, and 9, Chapter 870,  
9 Acts of the 65th Legislature, Regular Session. The  
10 name of the Texas Water Commission was changed to the  
11 Texas Natural Resource Conservation Commission by  
12 Section 1.085, Chapter 3, Acts of the 72nd  
13 Legislature, 1st Called Session, 1991. In 2004, the  
14 name of the Texas Natural Resource Conservation  
15 Commission was changed by Section 18.01, Chapter 965,  
16 Acts of the 77th Legislature, Regular Session, 2001,  
17 to the Texas Commission on Environmental Quality.

18 (5) Section 15, V.A.C.S. Article 8280-296,  
19 authorizes the district to "make contracts for the  
20 purchase of" water. The revised law omits the quoted  
21 language because it duplicates, in substance, part of  
22 Section 49.213(c), Water Code, which authorizes  
23 contracts to purchase or sell water and which applies  
24 to the revised law under Sections 49.001 and 49.002,  
25 Water Code.

26 Revised Law

27 Sec. 9302.103. SEAL. The district may adopt a corporate  
28 seal. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

29 Source Law

30 Sec. 3. [The district has the power:]  
31 . . .  
32 (8) To adopt, use and alter a corporate  
33 seal;  
34 . . .

35 Revisor's Note

36 Section 3(8), V.A.C.S. Article 8280-296, states

1 that the district may "adopt, use and alter" a  
2 corporate seal. The revised law omits "use" and  
3 "alter" because the power to adopt a seal includes the  
4 power to use and alter it.

5 Revised Law

6 Sec. 9302.104. SURVEYS AND INVESTIGATIONS. The district  
7 may conduct or arrange for a survey or an engineering investigation  
8 to provide information for the district to facilitate the  
9 accomplishment of a district purpose. (V.A.C.S. Art. 8280-296,  
10 Sec. 3 (part).)

11 Source Law

12 Sec. 3. [The district has the power:]

13 . . .  
14 (5) To make or cause to be made surveys and  
15 engineering investigations for the information of the  
16 District to facilitate the accomplishment of the  
17 purposes for which the District is created; . . . .

18 Revised Law

19 Sec. 9302.105. PAYMENT OF EXPENSES. The district may pay an  
20 expenditure considered essential to:

- 21 (1) an investigation; or  
22 (2) the organization, operation, or maintenance of the  
23 district. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

24 Source Law

25 Sec. 3. [The district has the power to:]

26 . . .  
27 (5) . . . provide for the payment of all  
28 expenditures deemed essential to proper organization  
29 and investigations and for the operation and  
30 maintenance of the District and its affairs;  
31 . . .

32 Revised Law

33 Sec. 9302.106. DISPOSAL OR LEASE OF DISTRICT PROPERTY. (a)  
34 The district may dispose of property or a property right that is not  
35 needed for a district purpose.

36 (b) The district may lease property or a property right for  
37 a purpose that does not interfere with the use of district property.  
38 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

39 Source Law

40 Sec. 3. [The district has the power:]

1 . . .  
2 (2) To dispose of property or rights  
3 therein when the same are no longer needed for the  
4 purposes for which the District is created or to lease  
5 same for purposes which will not interfere with the use  
6 of property of the District;  
7 . . .

8 Revised Law

9 Sec. 9302.107. RESTRICTION ON DISTRICT WORKS,  
10 IMPROVEMENTS, AND FACILITIES. Except as provided by Section  
11 9302.111, the district may provide only the works, improvements,  
12 and facilities that the board finds necessary and useful to develop  
13 a source of fresh water or provide and distribute fresh water.  
14 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

15 Source Law

16 Sec. 3. . . . All works, improvements and  
17 facilities to be provided by the District shall be  
18 limited to those found necessary and useful in  
19 developing a source of and in providing and  
20 distributing fresh water. . . .

21 Revisor's Note

22 Section 3, V.A.C.S. Article 8280-296, limits  
23 district works, improvements, and facilities to those  
24 for fresh water. For the convenience of the reader,  
25 the revised law adds a cross-reference to revised  
26 Section 9302.111 (formerly Section 3(a), V.A.C.S.  
27 Article 8280-296), which authorizes sanitary sewer  
28 improvements.

29 Revised Law

30 Sec. 9302.108. CONSTRUCTION ON PUBLIC LAND. (a) The  
31 district may construct any necessary work or improvement over,  
32 across, and along:

33 (1) a public stream, road, or highway; and

34 (2) land belonging to this state.

35 (b) A plan for an improvement under Subsection (a) or a  
36 state highway is subject to the approval of the Texas Department of  
37 Transportation. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

38 Source Law

39 Sec. 3. [The district has the power:]

40 . . .  
41 (9) To construct all necessary works and

1 improvements over, across and along any public stream,  
2 road, highway or any land belonging to the State of  
3 Texas, provided that the plans for such improvements  
4 on State Highways shall be subject to the approval of  
5 the State Highway Department;  
6

. . .

7 Revisor's Note

8 Section 3(9), V.A.C.S. Article 8280-296, refers  
9 to the "State Highway Department." The revised law  
10 substitutes "Texas Department of Transportation" for  
11 "State Highway Department." The name of the State  
12 Highway Department was changed to the State  
13 Department of Highways and Public Transportation by  
14 Section 3, Chapter 678, Acts of the 64th Legislature,  
15 Regular Session, 1975. The name of the State  
16 Department of Highways and Public Transportation was  
17 changed to the Texas Department of Transportation by  
18 Section 1.01, Chapter 7, Acts of the 72nd Legislature,  
19 1st Called Session, 1991.

20 Revised Law

21 Sec. 9302.109. ACQUISITION OF PROPERTY; EMINENT DOMAIN.

22 (a) The district may acquire land, easements, rights-of-way, or  
23 other property in or outside the district that is incident to or  
24 helpful in carrying out a district purpose. The district may make  
25 the acquisition by device or lease-purchase or by exercising the  
26 power of eminent domain.

27 (b) The district must exercise the power of eminent domain  
28 in the manner provided by Chapter 21, Property Code.

29 (c) The district may not:

30 (1) exercise the power of eminent domain outside  
31 Aransas County; or

32 (2) apply the power of eminent domain to a private  
33 water supply. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

34 Source Law

35 Sec. 3. [The district has the power:]

36 . . .

37 (10) To exercise all functions to permit  
38 the accomplishment of its purposes including the  
39 acquisition within or without said District of land,  
40 easements and rights-of-way and any other character of

1 property incident to, helpful or in aid of carrying out  
2 the purposes and work of the District by way of device,  
3 purchase leasehold or condemnation. The right of  
4 eminent domain is hereby expressly conferred on said  
5 District and the procedure with reference to  
6 condemnation, the assessment of and estimating of  
7 damages, payment, appeal, the entering upon the  
8 property pending appeal and other procedure prescribed  
9 in Title 52 of the Revised Civil Statutes of Texas,  
10 1925, as heretofore or hereafter amended, shall apply  
11 to said District. It is provided, however, that the  
12 powers of eminent domain herein granted shall be  
13 limited in their application to the County of Aransas,  
14 Texas, only; provided, however, the power of eminent  
15 domain shall not apply to any existing or future  
16 private water supply. . . .

17 Revisor's Note

18 (1) Section 3(10), V.A.C.S. Article 8280-296,  
19 authorizes the district "[t]o exercise all functions  
20 to permit the accomplishment of its purposes." The  
21 revised law omits the quoted language because it  
22 duplicates, in substance, Section 49.211(a), Water  
23 Code, which applies to the district under Sections  
24 49.001 and 49.002, Water Code.

25 (2) Section 3(10), V.A.C.S. Article 8280-296,  
26 provides that the "right of eminent domain is hereby  
27 expressly conferred on said District" to acquire  
28 property "by way of device, purchase leasehold or  
29 condemnation." The revised law substitutes for the  
30 quoted language "[t]he district may make the  
31 acquisition by device or lease-purchase or by  
32 exercising the power of eminent domain" because the  
33 phrases have the same meaning and the latter phrase is  
34 consistent with modern usage in laws relating to  
35 eminent domain, including Chapter 21, Property Code.

36 (3) Section 3(10), V.A.C.S. Article 8280-296,  
37 refers to property "helpful or in aid of carrying out  
38 the purposes and work of the District." The revised  
39 law omits the reference to "in aid of" because "in aid  
40 of" is synonymous with "helpful." The revised law  
41 omits the reference to "work" because, in context,  
42 "work" of the district is included in the meaning of



1 "purposes" of the district.

2 (4) Section 3(10), V.A.C.S. Article 8280-296,  
3 provides that certain procedures prescribed by "Title  
4 52 of the Revised Civil Statutes of Texas, 1925, as  
5 heretofore or hereafter amended," apply to the  
6 district. Title 52, Revised Statutes, was codified in  
7 1983 as Chapter 21, Property Code. That chapter  
8 prescribes all procedures governing the exercise of  
9 eminent domain, and the revised law is drafted  
10 accordingly. The revised law omits the reference to  
11 "as . . . amended" because under Section 311.027,  
12 Government Code (Code Construction Act), unless  
13 expressly provided otherwise, a reference to a statute  
14 applies to all reenactments, revisions, or amendments  
15 of the statute.

16 Revised Law

17 Sec. 9302.110. COST OF RELOCATING OR ALTERING PROPERTY.

18 (a) If the district, in the exercise of the power of eminent  
19 domain, the power of relocation, or another power granted under  
20 this chapter, makes necessary taking property or relocating,  
21 raising, rerouting, changing the grade of, or altering the  
22 construction of a highway, railroad, electric transmission line,  
23 telephone or telegraph property or facility, or pipeline, the  
24 district shall pay for the necessary action.

25 (b) The district's duty to pay under this section is limited  
26 to the actual cost, without enhancement, of the property taken or  
27 work required, after deducting any net salvage value derived from  
28 property taken. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

29 Source Law

30 Sec. 3. . . .

31 (10) . . . In the event the District, in  
32 the exercise of the power of eminent domain or power of  
33 relocation, or any other power granted hereunder makes  
34 necessary the taking of any property or the  
35 relocation, raising, rerouting or changing the grade,  
36 or altering the construction of any highway, railroad,  
37 electric transmission line, telephone or telegraph  
38 properties and facilities, or pipeline, all such  
39 necessary taking, relocation, raising, rerouting,

1 changing of grade or alteration of construction shall  
2 be accomplished at the expense of the District. It is  
3 provided, however, that the expense of the District  
4 shall be strictly confined to that amount which is  
5 equal to the actual cost of the property taken or work  
6 required without enhancement thereof and after  
7 deducting the net salvage value which may be derived  
8 from any property taken; and  
9 . . .

10 Revised Law

11 Sec. 9302.111. SANITARY SEWER SYSTEM. (a) In this section,  
12 "sanitary sewer system" means the works, facilities, plants,  
13 equipment, and appliances incident, helpful, or necessary to the  
14 collection, transportation, processing, disposal, and control of  
15 all domestic, industrial, or communal wastes, including fluids,  
16 solids, or composites.

17 (b) The district may purchase, acquire, construct, operate,  
18 maintain, improve, and extend a sanitary sewer system. (V.A.C.S.  
19 Art. 8280-296, Sec. 3(a) (part).)

20 Source Law

21 Sec. 3(a). The District shall be and is hereby  
22 empowered to purchase, acquire, construct, operate,  
23 maintain, improve, and extend all works, facilities,  
24 plants, equipment, and appliances in any and all  
25 manner incident to, helpful, or necessary to the  
26 collection, transportation, processing, disposal, and  
27 control of all domestic, industrial, or communal  
28 wastes, whether fluids, solids, or composites  
29 hereafter called 'sanitary sewer system.'  
30 . . .

31 Revisor's Note

32 Section 3(a), V.A.C.S. Article 8280-296,  
33 provides that the provisions relating to the powers  
34 and duties of the district and the board apply to the  
35 procedures used by the district to provide a sanitary  
36 sewer system. The revised law omits that provision  
37 because the powers and duties of the district and the  
38 board apply generally to any district activities. In  
39 addition, Section 5(b), V.A.C.S. Article 8280-296  
40 (revised in this chapter as Section 9302.201),  
41 provides the district the power to issue revenue bonds  
42 for a district purpose. The omitted law reads:

43 Sec. 3(a). . . .  
44 All of the provisions of this Act with

1 respect to the powers, duties, and  
2 responsibilities of the District and its  
3 Board of Directors shall apply to and govern  
4 the methods and procedures whereby the  
5 District shall provide such sanitary sewer  
6 system, including the issuance of  
7 revenue-supported bonds, . . . .

8 Revised Law

9 Sec. 9302.112. ACQUISITION OF WATER STORAGE AND STORAGE  
10 CAPACITY. (a) The district may lease or otherwise acquire rights  
11 to storage and storage capacity in a reservoir constructed or to be  
12 constructed by any person, including this state, a public agency of  
13 this state, or the United States.

14 (b) The district may purchase storage capacity for water  
15 from any person, including this state, a public agency of this  
16 state, or the United States. (V.A.C.S. Art. 8280-296, Sec. 15  
17 (part).)

18 Source Law

19 Sec. 15. District Empowered to Acquire Storage  
20 Capacity in Reservoirs. The District is hereby  
21 empowered to lease or acquire rights in and to storage  
22 and storage capacity in any reservoir constructed or  
23 to be constructed by any person, firm, corporation,  
24 the State of Texas, or any public agency thereof, or by  
25 the United States government or any of its agencies.  
26 The District is also empowered to purchase or make  
27 contracts for the purchase of storage, or . . . from  
28 any person or firm, corporation, the State of Texas, or  
29 any public agency thereof, or from the United States  
30 government or from any of its agencies.

31 Revisor's Note

32 (1) Section 15, V.A.C.S. Article 8280-296,  
33 refers to a person, firm, or corporation. The revised  
34 law omits the references to "firm" and "corporation"  
35 for the reason stated in Revisor's Note (2) to Section  
36 9302.102.

37 (2) Section 15, V.A.C.S. Article 8280-296,  
38 authorizes the district to purchase "or make contracts  
39 for" the purchase of storage capacity. The revised law  
40 omits the reference to the authority to make contracts  
41 for the reason stated in Revisor's Note (5) to Section  
42 9302.102.

1 Revised Law

2 Sec. 9302.113. CONSTRUCTION OR MAINTENANCE OF SEWER SYSTEM  
3 PROHIBITED. Except as provided by Section 9302.111, the district  
4 may not construct or maintain a sewer system. (V.A.C.S. Art.  
5 8280-296, Sec. 3 (part).)

6 Source Law

7 Sec. 3. . . . the District shall not have the  
8 power to construct or maintain a sewer system. . . .

9 Revised Law

10 Sec. 9302.114. ARRANGEMENTS WITH UNITED STATES. (a) The  
11 district may cooperate with, contract with, or receive a grant,  
12 loan, or advancement from the United States to exercise a district  
13 power or to further a district purpose.

14 (b) The district may contribute to the United States in  
15 connection with any project undertaken by the United States that  
16 affects or relates to a district purpose. (V.A.C.S. Art. 8280-296,  
17 Sec. 3 (part).)

18 Source Law

19 Sec. 3. [The district has the power:]

20 . . .  
21 (3) To cooperate with and contract with  
22 the United States of America, or with any of its  
23 departments or agencies now existing, or which may be  
24 created hereafter, to carry out any of the powers or to  
25 further any of the purposes set forth in this Act, and,  
26 for such purposes, to receive grants, loans or  
27 advancements therefrom; or to contribute to the United  
28 States of America or any of its departments or agencies  
29 in connection with any project undertaken by it  
30 affecting or relating to any of the purposes for which  
31 the District is organized;

32 . . .

33 Revised Law

34 Sec. 9302.115. CONTRACTS AND COOPERATION WITH STATE AND  
35 POLITICAL SUBDIVISIONS. The district may cooperate and contract  
36 with this state or a political subdivision of this state to carry  
37 out a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

38 Source Law

39 Sec. 3. [The district has the power:]

40 . . .  
41 (4) To cooperate and contract with any  
42 department or agency of the State of Texas, or any  
43 political subdivision thereof, or any municipal  
44 corporation, to carry out any purpose for which the

1 District is organized;  
2 . . .

3 Revisor's Note

4 (1) Section 3(4), V.A.C.S. Article 8280-296,  
5 refers to a "department or agency" of this state. The  
6 revised law omits the quoted language because the  
7 meaning of "department or agency" of this state is  
8 included in the meaning of "this state."

9 (2) Section 3(4), V.A.C.S. Article 8280-296,  
10 refers to "any political subdivision [of this state],  
11 or any municipal corporation." The revised law omits  
12 "municipal corporation" because "municipal  
13 corporation" is included in the meaning of "political  
14 subdivision."

15 Revised Law

16 Sec. 9302.116. AWARD OF CERTAIN CONTRACTS. (a) This  
17 section applies only to a construction contract or a contract for  
18 the purchase of materials, equipment, or supplies requiring an  
19 expenditure of more than \$2,000.

20 (b) This section does not apply to the purchase of water or a  
21 water system or facility existing at the time of the purchase.

22 (c) The district shall award a contract to the lowest and  
23 best bidder after publishing notice to bidders once a week for two  
24 weeks in a newspaper published in Aransas County that is designated  
25 by the board.

26 (d) The notice must state:

27 (1) the time and place for opening the bids;

28 (2) the general nature of the work to be done under the  
29 contract or the material, equipment, or supplies to be purchased  
30 under the contract; and

31 (3) the location at which and the terms on which copies  
32 of the plans and specifications may be obtained. (V.A.C.S. Art.  
33 8280-296, Sec. 4.)

34 Source Law

35 Sec. 4. Awarding Construction or Purchase  
36 Contracts. Any construction contract or contracts for

1 the purchase of materials, equipment or supplies  
2 requiring an expenditure of more than Two Thousand  
3 Dollars (\$2,000) shall be made to the lowest and best  
4 bidder after publication of a notice to bidders once a  
5 week for two (2) weeks before awarding the contract.  
6 Such notice shall be sufficient if it states the time  
7 and place when and where the bids will be opened, the  
8 general nature of the work to be done, or the material,  
9 equipment or supplies to be purchased, and shall state  
10 where and the terms upon which copies of the plans and  
11 specifications may be obtained. The publication shall  
12 be in a newspaper published in Aransas County and  
13 designated by the Board of Directors. This Section,  
14 however, shall not apply to the purchase of any water,  
15 or water system or facilities in existence at the time  
16 of such purchase.

#### 17 Revised Law

18 Sec. 9302.117. WATER SUPPLY CONTRACTS. (a) The district  
19 may contract with a municipality or other person to supply water  
20 services to the municipality or person.

21 (b) The district may contract with a municipality to rent,  
22 lease, or operate the municipality's facilities for water  
23 production, supply, filtration, or purification.

24 (c) The parties to the contract may agree on the contract  
25 terms, including consideration and duration.

26 (d) The contract may provide that the contract continues in  
27 effect until any bonds specified in the contract, and any refunding  
28 bonds issued for those bonds, are paid. (V.A.C.S. Art. 8280-296,  
29 Sec. 14.)

#### 30 Source Law

31 Sec. 14. District Authorized to Enter into  
32 Water Supply Contracts. The District is authorized to  
33 enter into contracts with cities and others for  
34 supplying water services to them. The District may  
35 also contract with any city for the rental or leasing,  
36 or for the operation of such city's water production,  
37 water supply, water filtration, or purification  
38 facilities. Any such contract may be upon such terms,  
39 for such consideration and for such time as the parties  
40 may agree and it may provide that it shall continue in  
41 effect until bonds specified therein and any refunding  
42 bonds issued in lieu of such bonds are paid.

#### 43 Revisor's Note

44 Section 14, V.A.C.S. Article 8280-296, refers to  
45 a contract between the district and a "city." The  
46 revised law substitutes "municipality" for "city," as  
47 appropriate, because "municipality" is the term used  
48 in the Local Government Code.



1 assessment. (V.A.C.S. Art. 8280-296, Secs. 3(a) (part), 5(b)  
2 (part).)

3 Source Law

4 Sec. 3(a). . . . provided, however, no tax may  
5 be levied for the payment of any bonds authorized for  
6 sanitary sewer system purposes.

7 [Sec. 5]

8 (b) . . . The District shall have no power to  
9 levy or collect taxes or assessments, or to issue any  
10 bonds or create any indebtedness payable out of taxes  
11 or assessments, except as provided for in Section  
12 5(a), and nothing in this subsection or in any other  
13 Section or subsection of this Act shall be construed as  
14 authorizing it to do so.

15 Revisor's Note

16 Section 5(b), V.A.C.S. Article 8280-296,  
17 provides that the district may not levy or collect a  
18 tax or assessment and may not issue bonds or create  
19 debt payable from taxes or assessments, except as  
20 provided by Section 5(a), and that "nothing in this  
21 subsection or in any other Section or subsection of  
22 this Act shall be construed as authorizing it to do  
23 so." The revised law omits the reference to Section  
24 5(a) because that section is omitted from the revised  
25 law as executed (see Revisor's Note (1) at the end of  
26 this chapter). The revised law omits the quoted  
27 language because no other provision of this chapter  
28 authorizes the district to levy or collect taxes or  
29 assessments or issue bonds or create debt payable from  
30 taxes. The revised law also substitutes "impose" for  
31 "levy and collect" because the former is synonymous  
32 with "levy," is more commonly used, and includes the  
33 levy and collection of a tax or assessment.

34 Revised Law

35 Sec. 9302.152. DEPOSITORY. (a) The board shall select one  
36 or more banks in the district to serve as a depository for district  
37 money.

38 (b) All district money shall be deposited with the  
39 depository bank or banks, except that sufficient money must be



1 remitted to the bank or banks of payment to pay the principal of and  
2 interest on the district's outstanding bonds on or before the  
3 maturity date of the principal and interest.

4 (c) To the extent that money in a depository bank is not  
5 insured by the Federal Deposit Insurance Corporation, the money  
6 must be secured in the manner provided by law for the security of  
7 county funds.

8 (d) Membership on the district's board of an officer or  
9 director of a bank does not disqualify the bank from being selected  
10 as a depository. (V.A.C.S. Art. 8280-296, Sec. 12.)

11 Source Law

12 Sec. 12. District Depository. The Board of  
13 Directors shall designate one or more banks within the  
14 District to serve as depository for the funds of the  
15 District. All funds of the District shall be deposited  
16 in such depository bank or banks except that  
17 sufficient funds shall be remitted to the bank or banks  
18 of payment of principal of and interest on the  
19 outstanding bonds of the District and in time that such  
20 may be received by the said bank or banks of payment on  
21 or prior to the date of the maturity of such principal  
22 and interest so to be paid. To the extent that funds in  
23 the depository bank or banks are not insured by the  
24 Federal Deposit Insurance Corporation, they shall be  
25 secured in the manner provided by law for the security  
26 of county funds. Membership on the Board of Directors  
27 of an officer or director of a bank shall not  
28 disqualify such bank from being designated as  
29 depository.

30 Revised Law

31 Sec. 9302.153. FORM OF RECORDS AND ACCOUNTS. District  
32 records and accounts must conform to approved methods of  
33 bookkeeping. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

34 Source Law

35 (h) . . . All records and accounts shall  
36 conform to approved methods of bookkeeping. . . .

37 Revised Law

38 Sec. 9302.154. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.  
39 The district is not required to pay a tax or assessment on a project  
40 or any part of a project. (V.A.C.S. Art. 8280-296, Sec. 13 (part).)

41 Source Law

42 Sec. 13. . . . the district . . . shall not be  
43 required to pay any tax or assessment on the project or  
44 any part thereof, and . . . .

1 Revisor's Note  
2 (End of Subchapter)

3 Section 2(h), V.A.C.S. Article 8280-296,  
4 contains provisions relating to the accounts and an  
5 audit of the district. The revised law omits those  
6 provisions because they either duplicate, in  
7 substance, or are superseded by parts of Sections  
8 49.191, 49.193, 49.194, and 49.196, Water Code, which  
9 apply to the district under Sections 49.001(a),  
10 49.002, and 49.191(b), Water Code. The omitted law  
11 reads:

12 (h) . . . The Board shall cause to be  
13 made and completed annually, as soon as  
14 practicable after the expiration of each  
15 calendar year, an audit of the books of  
16 account and financial records of the  
17 District for such calendar year, such audit  
18 to be made by an individual public  
19 accountant or firm of public accountants.  
20 The report on said audit shall be submitted  
21 at the first regular meeting of the Board of  
22 Directors thereafter. One copy of said  
23 report shall be filed with the office of the  
24 District, one with the depository of the  
25 District, and one in the office of the  
26 auditor, all of which shall be open to  
27 public inspection. Additional copies of  
28 said report shall be filed with any state or  
29 governmental agencies as may be required by  
30 law.

31 [Sections 9302.155-9302.200 reserved for expansion]

32 SUBCHAPTER E. BONDS

33 Revised Law

34 Sec. 9302.201. AUTHORITY TO ISSUE REVENUE BONDS. (a) The  
35 district may borrow money and issue revenue bonds to:

36 (1) provide money to purchase or otherwise provide a  
37 work, plant, facility, or appliance necessary to accomplish a  
38 district purpose; and

39 (2) exercise a power under this chapter.

40 (b) The bonds must be payable from revenue the board by  
41 resolution pledges. (V.A.C.S. Art. 8280-296, Sec. 5(b) (part).)

42 Source Law

43 (b) For the purpose of providing funds for  
44 purchasing or otherwise providing works, plants,  
45 facilities or appliances necessary to the  
46 accomplishment of the purposes authorized by this Act,

1 and for the purpose of carrying out any other power or  
2 authority conferred by this Act, the District is  
3 hereby empowered to borrow money and issue its  
4 negotiable bonds payable from such revenues of the  
5 District, as are pledged by resolution of the Board of  
6 Directors. . . .

7 Revised Law

8 Sec. 9302.202. INTERIM BONDS. Before issuing definitive  
9 bonds under this subchapter, the board may authorize the delivery  
10 of interim bonds or notes exchangeable for definitive bonds.  
11 (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

12 Source Law

13 (c) Pending the issuance of definitive bonds the  
14 Board may authorize the delivery of negotiable interim  
15 bonds or notes eligible for exchange or substitution  
16 by use of definitive bonds. . . .

17 Revised Law

18 Sec. 9302.203. REFUNDING BONDS. (a) The district may  
19 issue refunding bonds to refund outstanding bonds issued under this  
20 subchapter and interest on those bonds.

21 (b) Refunding bonds may:

22 (1) be issued to refund bonds of more than one series;

23 (2) combine the pledges for the outstanding bonds for  
24 the security of the refunding bonds; or

25 (3) be secured by a pledge of other or additional  
26 revenue or mortgage liens.

27 (c) The provisions of this subchapter regarding the  
28 issuance of other bonds, their security, and the remedies of the  
29 holders apply to refunding bonds.

30 (d) The comptroller shall register the refunding bonds on  
31 surrender and cancellation of the bonds to be refunded.

32 (e) Instead of issuing bonds to be registered on the  
33 surrender and cancellation of the bonds to be refunded, the  
34 district, in the resolution authorizing the issuance of the  
35 refunding bonds, may provide for the sale of the refunding bonds and  
36 the deposit of the proceeds in a bank at which the bonds to be  
37 refunded are payable in the manner prescribed by Section 1207.061,  
38 Government Code. In that case, the refunding bonds may be issued in  
39 an amount sufficient to pay the principal of and interest on the

1 bonds to be refunded to their effective option date or maturity  
2 date, and the comptroller shall register the refunding bonds  
3 without the surrender and cancellation of the bonds to be refunded.  
4 (V.A.C.S. Art. 8280-296, Sec. 6.)

5 Source Law

6 Sec. 6. Refunding Bonds Authorized. The  
7 District is authorized to issue refunding bonds for  
8 the purpose of refunding any of the outstanding bonds  
9 authorized by this Act and the interest thereon. Such  
10 refunding bonds may be issued to refund more than one  
11 (1) series of outstanding bonds and combine the  
12 pledges for the outstanding bonds for the security of  
13 the refunding bonds, and may be secured by other or  
14 additional revenues and mortgage liens. The  
15 provisions of this law with reference to the issuance  
16 by the District of other bonds, their security, and  
17 their approval by the Attorney General and the  
18 remedies of the holder shall be applicable to  
19 refunding bonds. Refunding bonds shall be registered  
20 by the Comptroller of Public Accounts of the State of  
21 Texas upon surrender and cancellation of the bonds to  
22 be refunded, but in lieu thereof, the resolution  
23 authorizing their issuance may provide that they shall  
24 be sold and the proceeds thereof deposited in the bank  
25 where the original bonds were payable in the manner  
26 prescribed by Article 717k, Revised Civil Statutes of  
27 Texas, in which case the refunding bonds may be issued  
28 in an amount sufficient to pay the principal of and  
29 interest on the original bonds to their effective  
30 option date or maturity date; and the Comptroller  
31 shall register them without concurrent surrender and  
32 cancellation of the original bonds.

33 Revisor's Note

34 (1) Section 6, V.A.C.S. Article 8280-296,  
35 refers to the "approval by the Attorney General" of  
36 refunding bonds. The revised law omits the quoted  
37 language because it is superseded by Section 1202.003,  
38 Government Code, enacted in 1987 as Section 3.002(a),  
39 Chapter 53, Acts of the 70th Legislature, 2nd Called  
40 Session (Article 717k-8, Vernon's Texas Civil  
41 Statutes). That section applies to bonds issued under  
42 Article 8280-296 by application of Section 1202.001,  
43 Government Code.

44 (2) Section 6, V.A.C.S. Article 8280-296,  
45 refers to the "Comptroller of Public Accounts of the  
46 State of Texas." The revised law substitutes  
47 "comptroller" for the quoted language because Section

1 403.001, Government Code, provides that in any state  
2 statute, "comptroller" means the comptroller of public  
3 accounts of the State of Texas.

4 (3) Section 6, V.A.C.S. Article 8280-296,  
5 provides for the deposit of proceeds of refunding  
6 bonds in the manner prescribed by "Article 717k,  
7 Revised Civil Statutes of Texas." The relevant part of  
8 that statute was codified in 1999 as Section 1207.061,  
9 Government Code. The revised law is drafted  
10 accordingly.

11 Revised Law

12 Sec. 9302.204. FORM OF BONDS. Bonds issued under this  
13 subchapter must:

- 14 (1) be issued in the district's name;  
15 (2) be signed by the president; and  
16 (3) be attested by the secretary. (V.A.C.S. Art.  
17 8280-296, Sec. 5(c) (part).)

18 Source Law

19 (c) . . . Such bonds shall be issued in the name  
20 of the District, signed by the President, attested by  
21 the Secretary, and . . . .

22 Revisor's Note

23 Section 5(c), V.A.C.S. Article 8280-296,  
24 provides that bonds must bear the seal of the district  
25 and authorizes facsimile "printed or lithographed"  
26 signatures and seals. The revised law omits those  
27 provisions as unnecessary. The requirement that the  
28 bonds bear the seal of the district was impliedly  
29 repealed by Section 3, Bond Procedures Act of 1981  
30 (Article 717k-6, Vernon's Texas Civil Statutes)  
31 (revised in relevant part in 1999 as Section  
32 1201.026(a), Government Code), which provides that  
33 bonds may be signed with or without a seal. The  
34 authorization for the use of printed or lithographed  
35 signatures duplicates Section 1201.026(a), Government

1 Code, which also provides that bonds and interest  
2 coupons may be signed or otherwise executed with  
3 manual or facsimile signatures. The omitted law  
4 reads:

5 (c) . . . [Such bonds] . . . shall  
6 bear the seal of the District. It is  
7 provided, however, that the signatures of  
8 the President or of the Secretary, or of  
9 both, may be printed or lithographed on the  
10 bonds authorized by the Board of Directors,  
11 and that the seal of the District may be  
12 impressed on the bonds or may be printed or  
13 lithographed thereon. . . .

14 Revised Law

15 Sec. 9302.205. MATURITY. A bond issued under this  
16 subchapter must mature not later than 40 years after its date of  
17 issuance. (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

18 Source Law

19 (c) . . . The bonds shall mature serially or  
20 otherwise, in not to exceed forty (40) years and  
21 . . . .

22 Revisor's Note

23 Section 5(c), V.A.C.S. Article 8280-296,  
24 provides that bonds issued under that article shall  
25 mature "serially or otherwise." The revised law omits  
26 the quoted language because it is superseded by  
27 Section 1201.021, Government Code (enacted as Section  
28 3, Bond Procedures Act of 1981 (Article 717k-6,  
29 Vernon's Texas Civil Statutes)), which provides that  
30 the governing body of an issuer may determine the time  
31 of payment of public securities it issues, and by  
32 Section 1201.022, Government Code (enacted as Section  
33 5(a), Bond Procedures Act of 1981 (Article 717k-6,  
34 Vernon's Texas Civil Statutes)), which provides that a  
35 public security may be issued with specified  
36 characteristics, on specified terms, or in a specified  
37 manner. Section 1201.022 applies to bonds issued  
38 under Article 8280-296 by application of Section  
39 1201.002, Government Code.

1 Revised Law

2 Sec. 9302.206. BOND SECURITY. (a) In this section, "net  
3 revenue" means the district's gross revenue after deducting the  
4 amount necessary to pay the reasonable cost of maintaining and  
5 operating the district and its properties.

6 (b) Bonds issued under this subchapter may be secured by:

7 (1) a pledge of all or part of the district's net  
8 revenue, including the net revenue of a contract made before or  
9 after the issuance of the bonds; or

10 (2) any other revenue and income specified by board  
11 resolution or the trust indenture.

12 (c) A bond security pledge under this section may reserve to  
13 the district, under conditions specified by the pledge, the right  
14 to issue additional bonds that will be on a parity with or  
15 subordinate to the bond then being issued. (V.A.C.S. Art.  
16 8280-296, Sec. 5(e).)

17 Source Law

18 (e) The bonds may be secured by a pledge of all  
19 or part of the net revenues of the District, or by the  
20 net revenues of any one or more contracts theretofore  
21 or thereafter made or other revenues and income  
22 specified by the resolution of the Board of Directors  
23 or in the trust indenture. Any such pledge may reserve  
24 the right, under conditions therein specified, to  
25 issue additional bonds which would be on a parity with  
26 or subordinate to the bonds then being issued. The  
27 term "net revenues" as used in this Section shall mean  
28 the gross revenues of the District after deduction of  
29 the amount necessary to pay reasonable cost of  
30 maintaining and operating the District and its  
31 properties.

32 Revised Law

33 Sec. 9302.207. TRUST INDENTURE. (a) Bonds authorized by  
34 this subchapter may be additionally secured by a trust indenture  
35 under which the trustee may be a bank that has trust powers. The  
36 bank may be located in or outside this state.

37 (b) Regardless of any deed of trust or mortgage lien on the  
38 physical property of the district, the trust indenture may:

39 (1) contain any provision the board prescribes for the  
40 security of the bonds and the preservation of the trust estate;

41 (2) provide for amendment or modification of the trust

1 indenture;

2 (3) contain provisions governing issuance of bonds to  
3 replace lost or mutilated bonds;

4 (4) condition the right to spend district money or  
5 sell district property on the approval of a licensed engineer  
6 selected as provided by the trust indenture; and

7 (5) provide for the investment of district money.  
8 (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

9 Source Law

10 Sec. 7. Provisions for Trust Indenture as to  
11 Bonds Secured Partially by Revenues. Any bonds  
12 (including revenue bonds) authorized by this Act, not  
13 payable wholly from ad valorem taxes, may be  
14 additionally secured by a trust indenture under which  
15 the trustee may be a bank having trust powers, situated  
16 either within or without the State of Texas. . . .  
17 Such trust indenture, regardless of the existence of  
18 the deed of trust or mortgage lien on the properties,  
19 may contain any provisions prescribed by the Board of  
20 Directors for the security of the bonds and the  
21 preservation of the trust estate, and may make  
22 provision for amendment or modification thereof and  
23 the issuance of bonds to replace lost or mutilated  
24 bonds, and may condition the right to expend District  
25 money or sell District property upon approval of a  
26 registered professional engineer selected as provided  
27 therein, and may make provision for the investment of  
28 funds of the District. . . .

29 Revisor's Note

30 (1) Section 7, V.A.C.S. Article 8280-296,  
31 refers to bonds, "including revenue bonds," authorized  
32 by Article 8280-296, that are "not payable wholly from  
33 ad valorem taxes." The revised law omits "including  
34 revenue bonds" because, as used in the revised law,  
35 "bonds" include revenue bonds. Throughout this  
36 subchapter, the revised law also omits "not payable  
37 wholly from ad valorem taxes" because ad valorem taxes  
38 may not be used to pay the district's bonds. See  
39 Section 9302.151.

40 (2) Section 7, V.A.C.S. Article 8280-296,  
41 refers to a "registered professional engineer." The  
42 revised law substitutes "licensed engineer" for the  
43 quoted phrase because under Chapter 1001, Occupations



1 Code, engineers are licensed, not registered.

2 Revised Law

3 Sec. 9302.208. ADDITIONAL SECURITY. (a) At the board's  
4 discretion, the district may additionally secure bonds authorized  
5 by this subchapter by a deed of trust or mortgage lien on the  
6 physical properties of the district and all franchises, easements,  
7 water rights and appropriation permits, leases, contracts, and  
8 rights appurtenant to the properties.

9 (b) The deed of trust or mortgage lien may vest in the  
10 trustee the power to:

- 11 (1) sell the properties for payment of the debt;
- 12 (2) operate the properties; and
- 13 (3) take any other action to further secure the bonds.

14 (c) A purchaser at a sale under the deed of trust lien:

- 15 (1) is the absolute owner of the property, including  
16 the facilities, and rights purchased; and
- 17 (2) is entitled to maintain and operate the properties  
18 and facilities. (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

19 Source Law

20 Sec. 7. . . . Such bonds, within the  
21 discretion of the Board of Directors, may be  
22 additionally secured by a deed of trust or mortgage  
23 lien upon physical properties of the District and all  
24 franchises, easements, water rights and appropriation  
25 permits, leases and contracts and all rights  
26 appurtenant to such properties, vesting in the trustee  
27 power to sell the properties for payment of the  
28 indebtedness, power to operate the properties and all  
29 other powers and authority for the further security of  
30 the bonds. . . . Any purchaser under a sale under the  
31 deed of trust lien, where one is given, shall be the  
32 absolute owner of the properties, facilities and  
33 rights so purchased and shall have the right to  
34 maintain and operate the same.

35 Revised Law

36 Sec. 9302.209. WATER RATES AND OTHER COMPENSATION. (a) If  
37 the district issues bonds payable wholly from revenue, the board  
38 shall establish the rates of compensation for water sold and  
39 services provided by the district and collect the compensation in  
40 an amount sufficient to:

- 41 (1) pay the expense of operating and maintaining

1 district facilities;

2 (2) pay the bonds as they mature and interest on the  
3 bonds as it accrues; and

4 (3) maintain the reserve and other funds as provided  
5 by the resolution authorizing the bonds.

6 (b) If the district issues bonds payable partly from  
7 revenue, the board shall establish the rates of compensation for  
8 water sold and services provided by the district and collect the  
9 compensation in an amount sufficient to ensure compliance with the  
10 resolution authorizing the bonds. (V.A.C.S. Art. 8280-296, Sec.  
11 5(g).)

12 Source Law

13 (g) Where bonds payable wholly from revenues are  
14 issued, it shall be the duty of the Board of Directors  
15 to fix, establish and from time to time as necessary  
16 revise, the rates of compensation for the sale of water  
17 and other services furnished, supplied and rendered by  
18 the District and collect same in amounts sufficient to  
19 pay the expenses of operating and maintaining the  
20 facilities of the District and to pay the bonds as they  
21 mature and the interest as it accrues, and to maintain  
22 the reserve and other funds as provided in the  
23 resolution authorizing the bonds. Where bonds payable  
24 partially from revenues are issued, it shall be the  
25 duty of the Board to fix, establish and from time to  
26 time as necessary revise the rates of compensation for  
27 the sale of water and other services furnished,  
28 supplied and rendered by the District and to collect  
29 same in amounts sufficient to assure compliance with  
30 the resolution authorizing the bonds.

31 Revisor's Note

32 (1) Section 5(g), V.A.C.S. Article 8280-296,  
33 provides that "it shall be the duty of the Board of  
34 Directors to fix, establish and from time to time as  
35 necessary revise" the rates of compensation for water  
36 sold and services rendered by the district. The  
37 revised law substitutes "the board shall establish"  
38 for the quoted language because the duty to establish  
39 the rates of compensation includes the duty to fix the  
40 rates and revise them from time to time.

41 (2) Section 5(g), V.A.C.S. Article 8280-296,  
42 refers to services "furnished, supplied and rendered"  
43 by the district. The revised law substitutes

1 "provided" for the quoted language because, in  
2 context, "furnished," "supplied," and "rendered" are  
3 included in the meaning of "provided."

4 Revised Law

5 Sec. 9302.210. USE OF BOND PROCEEDS. (a) The district may  
6 set aside and use the proceeds from bond sales for the payment of  
7 interest expected to accrue during construction and a reserve  
8 interest and sinking fund. The resolution authorizing the bonds  
9 may provide for setting aside proceeds under this subsection.

10 (b) The district may use proceeds from the sale of bonds to  
11 pay an expense necessarily incurred in accomplishing the purpose  
12 for which the bonds are issued, including the expense of issuing or  
13 selling bonds.

14 (c) The district may use proceeds from the sale of revenue  
15 bonds for the payment of all expenses necessarily incurred in  
16 accomplishing a district purpose.

17 (d) The proceeds from the sale of bonds may be:

18 (1) placed on time deposit with the district's  
19 depository bank; or

20 (2) temporarily invested in direct obligations of the  
21 United States maturing not later than the first anniversary of the  
22 date of investment. (V.A.C.S. Art. 8280-296, Sec. 5(h).)

23 Source Law

24 (h) From the proceeds of the sale of bonds, the  
25 District may set aside an amount for the payment of  
26 interest expected to accrue during the study or  
27 construction or both, and a reserve interest and  
28 sinking fund, and such provision may be made in the  
29 resolution authorizing the bonds. Proceeds from the  
30 sale of bonds may also be used for the payment of all  
31 expenses necessarily incurred in accomplishing the  
32 purpose for which the bond is issued, including the  
33 expense of issuance and sale of the bonds; however,  
34 proceeds from the sale of revenue bonds may also be  
35 used for the payment of all expenses necessarily  
36 incurred in accomplishing the purpose for which the  
37 District is created, including expenses of its  
38 organization and engineering study. The proceeds from  
39 the sale of any bonds may be placed on time deposit  
40 with the District's depository bank or may be  
41 temporarily invested in direct obligations of the  
42 United States government maturing in not more than one  
43 (1) year from the date of investment.

1 Revisor's Note

2 (1) Section 5(h), V.A.C.S. Article 8280-296,  
3 authorizes the district to set aside an amount from the  
4 proceeds of the sale of bonds for the payment of  
5 interest expected to accrue during "the study or  
6 construction or both." "[T]he study" refers to the  
7 engineering study required by Section 5(a) to be  
8 completed by May 31, 1968, the fifth anniversary of the  
9 effective date of Article 8280-296. Accordingly, the  
10 revised law omits the reference to "the study" as  
11 executed. See also Revisor's Note (1) at the end of  
12 this chapter.

13 (2) Section 5(h), V.A.C.S. Article 8280-296,  
14 provides that proceeds from the sale of bonds may be  
15 used to pay certain district expenses, "including  
16 expenses of its organization and engineering study."  
17 The engineering study was required to be completed by  
18 May 31, 1968 (see Revisor's Note (1)). Accordingly,  
19 the revised law omits the quoted language as executed.

20 Revised Law

21 Sec. 9302.211. APPOINTMENT OF RECEIVER. (a) On default or  
22 threatened default in the payment of the principal of or interest on  
23 bonds issued under this subchapter that are payable wholly or  
24 partly from revenue, a court may, on petition of the holders of  
25 outstanding bonds, appoint a receiver for the district.

26 (b) The receiver may collect and receive all district  
27 income, employ and discharge district agents and employees, take  
28 charge of money on hand, and manage the district's proprietary  
29 affairs without the consent of or hindrance by the directors.

30 (c) The court appointing the receiver may:

31 (1) authorize the receiver to sell or contract for the  
32 sale of water or other services provided by the district or renew  
33 those contracts with the approval of the court; and

34 (2) vest the receiver with any other power or duty that

1 the court finds necessary to protect the bondholders.

2 (d) The resolution authorizing the issuance of the bonds or  
3 the trust indenture securing the bonds may limit or otherwise  
4 qualify the rights of less than all of the holders of the  
5 outstanding bonds payable from the same source to institute or  
6 prosecute litigation affecting the district's property or income.  
7 (V.A.C.S. Art. 8280-296, Sec. 5(i).)

8 Source Law

9 (i) In the event of a default or a threatened  
10 default in the payment of principal of or interest on  
11 bonds payable wholly or partially from revenues, any  
12 court of competent jurisdiction may, upon petition of  
13 the holders of the outstanding bonds, appoint a  
14 receiver with authority to collect and receive all  
15 income of the District except taxes, employ and  
16 discharge agents and employees of the District, take  
17 charge of funds on hand (except funds received from  
18 taxes unless commingled) and manage the proprietary  
19 affairs of the District without consent or hindrance  
20 by the Directors. Such receiver may also be authorized  
21 to sell or make contracts for the sale of water or  
22 other services furnished by the District or renew such  
23 contracts with the approval of the court appointing  
24 him. The court may vest the receiver with such other  
25 powers and duties as the court may find necessary for  
26 the protection of the holders of the bonds. The  
27 resolution authorizing the issuance of the bonds or  
28 the trust indenture securing them may limit or qualify  
29 the rights of less than all of the outstanding bonds  
30 payable from the same source to institute or prosecute  
31 any litigation affecting the District's property or  
32 income.

33 Revisor's Note

34 (1) Section 5(i), V.A.C.S. Article 8280-296,  
35 refers to a court "of competent jurisdiction." The  
36 revised law omits the quoted language as unnecessary  
37 because the general laws of civil jurisdiction  
38 determine which courts have jurisdiction over the  
39 matter. For example, see Sections 24.007-24.011,  
40 Government Code, for the general jurisdiction of  
41 district courts.

42 (2) Section 5(i), V.A.C.S. Article 8280-296,  
43 authorizes a court that appoints a receiver for the  
44 district to collect income of the district "except  
45 taxes" and to take charge of funds on hand "except  
46 funds received from taxes unless commingled." The

1 revised law omits the quoted language as unnecessary.  
2 The district does not have income or funds received  
3 from taxes because the district may not impose taxes.  
4 See Section 9302.151.

5 Revised Law

6 Sec. 9302.212. COMMISSION SUPERVISION OF PLANS AND  
7 SPECIFICATIONS. (a) Before the district may issue construction or  
8 improvement bonds, the district must submit the plans and  
9 specifications for the construction or improvement to the Texas  
10 Commission on Environmental Quality for approval in the manner  
11 required by Section 49.182, Water Code.

12 (b) The Texas Commission on Environmental Quality may  
13 inspect the district's projects and improvements during the course  
14 of construction as provided by Section 49.182, Water Code.  
15 (V.A.C.S. Art. 8280-296, Sec. 5(j) (part).)

16 Source Law

17 (j) . . . It is further provided, that before  
18 issuing any construction or improvement bonds, the  
19 District shall also submit the plans and  
20 specifications thereon to the Texas Water Commission  
21 (successor to the State Board of Water Engineers) for  
22 approval in the manner required by Acts of the 57th  
23 Legislature, Regular Session, Chapter 336, 1961,  
24 codified in Vernon's Annotated Civil Statutes of Texas  
25 as Article 7880-139, and the District's project and  
26 improvements during the course of construction shall  
27 be subject to inspection in the manner provided for by  
28 Article 7880-139.

29 Revisor's Note

30 (1) Section 5(j), V.A.C.S. Article 8280-296,  
31 refers to the "Texas Water Commission." The revised  
32 law substitutes "Texas Commission on Environmental  
33 Quality" for the reason stated in Revisor's Note (4) to  
34 Section 9302.102.

35 (2) Section 5(j), V.A.C.S. Article 8280-296,  
36 refers to Chapter 336, Acts of the 57th Legislature,  
37 Regular Session, 1961 (Article 7880-139, Vernon's  
38 Texas Civil Statutes). That statute was codified in  
39 1971 as Sections 51.421 and 51.422, Water Code, the  
40 substance of which was transferred to Sections 49.181

1 and 49.182, Water Code. The revised law is drafted  
2 accordingly.

3 (3) Section 5(j), V.A.C.S. Article 8280-296,  
4 contains provisions relating to the preparation and  
5 planning of an engineering study and the approval of a  
6 contract covering an engineering study. The revised  
7 law omits the provisions for the reasons stated in  
8 Revisor's Note (1) to Section 9302.210. The omitted  
9 law reads:

10 (j) The Texas Water Commission shall  
11 upon request from the District assist the  
12 District in the preparation and planning of  
13 the engineering study to be made within the  
14 District. However, before any tax bonds are  
15 issued, the District shall submit the  
16 contract covering the proposed engineering  
17 study to the Texas Water Commission for  
18 approval and if any substantial changes are  
19 thereafter made in such contract, the  
20 changes shall also be submitted to said  
21 Commission for approval. . . .

22 Revised Law

23 Sec. 9302.213. REVIEW AND APPROVAL OF CONTRACTS RELATING TO  
24 BONDS. (a) If bonds issued under this subchapter state that the  
25 bonds are secured by a pledge of the proceeds of a contract made  
26 between the district and a municipality or other governmental  
27 agency, authority, or district, a copy of that contract and the  
28 proceedings of the entities authorizing the contract must be  
29 submitted to the attorney general with the bonds and the records of  
30 proceedings relating to the bonds.

31 (b) If the attorney general finds that the bonds have been  
32 authorized and the contract has been made in accordance with law,  
33 the attorney general shall approve the bonds and the contract.  
34 (V.A.C.S. Art. 8280-296, Sec. 9 (part).)

35 Source Law

36 Sec. 9. Bonds to be approved by the Attorney  
37 General of Texas. After any bonds (including  
38 refunding bonds) are authorized by the District, such  
39 bonds and the record relating to their issuance shall  
40 be submitted to the Attorney General for his  
41 examination as to the validity thereof. Where such  
42 bonds recite that they are secured by a pledge of the  
43 proceeds of a contract theretofore made between the  
44 District and any city or other governmental agency,

1 authority or district, a copy of such contract and the  
2 proceedings of the city or other governmental agency,  
3 authority or district authorizing such contract shall  
4 also be submitted to the Attorney General. If such  
5 bonds have been authorized and if such contracts have  
6 been made in accordance with the Constitution and laws  
7 of the State of Texas, he shall approve the bonds and  
8 such contracts and . . . .

9 Revisor's Note

10 (1) Section 9, V.A.C.S. Article 8280-296,  
11 refers to a "city." The revised law substitutes  
12 "municipality" for "city" because that is the term  
13 used in the Local Government Code.

14 (2) Section 9, V.A.C.S. Article 8280-296,  
15 requires the district to submit bonds the district  
16 authorizes to the attorney general for examination and  
17 approval. That requirement is omitted as superseded  
18 by Section 1202.003, Government Code, enacted in 1987  
19 as Section 3.002(a), Chapter 53, Acts of the 70th  
20 Legislature, 2nd Called Session (Article 717k-8,  
21 Vernon's Texas Civil Statutes). That section applies  
22 to bonds issued under Article 8280-296 by application  
23 of Section 1202.001, Government Code.

24 (3) Section 9, V.A.C.S. Article 8280-296,  
25 provides that if bonds issued under Article 8280-296  
26 are authorized and if certain contracts entered into  
27 by the district are made in accordance with the law,  
28 the attorney general shall approve the bonds and the  
29 contracts. The revised law specifies that the  
30 attorney general is to make a finding because Section  
31 1202.003, Government Code, assigns that duty to the  
32 attorney general. That section applies to bonds  
33 issued under Article 8280-296 by application of  
34 Section 1202.001, Government Code.

35 (4) Section 9, V.A.C.S. Article 8280-296,  
36 provides that after approval the bonds shall be  
37 registered with the comptroller. The revised law  
38 omits that provision as superseded by Section





1           advantageous reasonably obtainable. The revised law  
2           omits the provision because it duplicates or is  
3           superseded by provisions of general law. Section  
4           1204.006(b), Government Code, enacted as Section 2,  
5           Chapter 3, Acts of the 61st Legislature, Regular  
6           Session, 1969 (Article 717k-2, Vernon's Texas Civil  
7           Statutes), provides that an issuer may sell public  
8           securities at any price. Section 1204.006(b) applies  
9           to bonds issued under this subchapter by application  
10          of Section 1204.001, Government Code. Section  
11          1201.022, Government Code, provides that an issuer may  
12          sell public securities "under the terms determined by  
13          the governing body of the issuer to be in the issuer's  
14          best interests." Section 1201.022 applies to bonds  
15          issued under this subchapter by application of Section  
16          1201.002, Government Code. The omitted law reads:

17                   (c) . . . [The bonds] . . . may be  
18                   sold at a price and under terms as  
19                   determined by the Board of Directors to be  
20                   the most advantageous reasonably  
21                   obtainable, . . . .

22          (2) Section 5(c), V.A.C.S. Article 8280-296,  
23          provides that the district's bonds may bear interest at  
24          a rate not to exceed six percent. Article 8280-296 was  
25          enacted in 1963 by Chapter 337, Acts of the 58th  
26          Legislature, Regular Session. Section 1204.006,  
27          Government Code, reflecting the 1981 amendment by  
28          Section 1, Chapter 61, Acts of the 67th Legislature,  
29          Regular Session, permits a public agency to issue  
30          public securities at any net effective interest rate  
31          of 15 percent or less. The later enactment of the  
32          maximum interest rate provision found in Section  
33          1204.006 impliedly repealed the maximum interest rate  
34          provision of Article 8280-296. The omitted law reads:

35                   (c) . . . provided that the interest  
36                   cost to the District, calculated by the use  
37                   of standard bond interest houses, does not  
38                   exceed six per cent (6%) per annum, and

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. . . .

(3) Section 5(c), V.A.C.S. Article 8280-296, provides that bonds issued under Article 8280-296 may be called, or redeemed, before maturity at the time and price specified in the resolution authorizing the bonds. The revised law omits that provision because it duplicates Sections 1201.021 and 1201.022, Government Code, which provide that a public security may be redeemed before maturity and be payable in specified amounts and at specified times. Those sections apply to bonds issued under Article 8280-296 by the application of Section 1201.002, Government Code. The omitted law reads:

(c) . . . within the discretion of the Board, [bonds] may be made callable prior to maturity at such times and prices as may be prescribed in the resolution authorizing the bonds, and . . . .

(4) Section 5(c), V.A.C.S. Article 8280-296, provides that bonds issued under Article 8280-296 may be registered as to principal or as to principal and interest. The revised law omits that provision because it duplicates Section 1201.024, Government Code. That section applies to bonds issued under Article 8280-296 by the application of Section 1201.002, Government Code. The omitted law reads:

(c) . . . [bonds] may be made registrable as to principal or as to both principal and interest.

(5) Section 5(d), V.A.C.S. Article 8280-296, states that bonds may be issued in "one or more than one series, and from time to time, as required for carrying out the purposes of this Act." The revised law omits "one or more than one series" because it duplicates a provision of Section 1201.022, Government Code, which applies to the revised law by application of Section 1201.003, Government Code. The revised law omits "from time to time" because the power to issue

1 bonds implies the power to do so at any time. The  
2 revised law omits "as required for carrying out the  
3 purposes of this Act" because Section 5(b), V.A.C.S.  
4 Article 8280-296, revised in Section 9302.201,  
5 authorizes the district to issue bonds for the  
6 purposes of the act. The omitted law reads:

7 (d) Bonds may be issued in one or more  
8 than one series, and from time to time, as  
9 required for carrying out the purposes of  
10 this Act.

11 (6) Section 11, V.A.C.S. Article 8280-296,  
12 provides that the bonds issued under that article are  
13 legal and authorized investments for entities listed  
14 by that section. The revised law omits the list  
15 because it duplicates Section 49.186, Water Code. The  
16 omitted law reads:

17 Sec. 11. Bonds Eligible for  
18 Investment and to Secure Deposits. All  
19 bonds of the District shall be and are  
20 hereby declared to be legal and authorized  
21 investments for banks, saving banks, trust  
22 companies, building and loan associations,  
23 savings and loan associations, insurance  
24 companies, fiduciaries, trustees, and  
25 sinking funds of cities, towns and  
26 villages, counties, school districts, or  
27 other political subdivisions of the State  
28 of Texas, and for all public funds of the  
29 State of Texas or its agencies, including  
30 the State Permanent School Fund. . . .

31 (7) Section 11, V.A.C.S. Article 8280-296,  
32 provides that bonds issued under that article may  
33 secure deposits of public funds of the state or  
34 political subdivisions. The revised law omits that  
35 part of Section 11 as impliedly repealed by Section  
36 404.0221, Government Code (enacted in 1995), which  
37 lists eligible collateral for the comptroller's  
38 deposits of state funds, and by Chapter 2257,  
39 Government Code (enacted in 1989 as Article 2529d,  
40 Vernon's Texas Civil Statutes), which governs eligible  
41 collateral for deposits of funds of other public  
42 agencies, including political subdivisions. The

1 omitted law reads:

2 Sec. 11. . . . Such bonds shall be  
3 eligible to secure deposit of any and all  
4 public funds of the State of Texas, and any  
5 and all public funds of cities, towns,  
6 villages, counties, school districts, or  
7 other political subdivisions or  
8 corporations of the State of Texas; and such  
9 bonds shall be lawful and sufficient  
10 security for said deposits to the extent of  
11 their value, when accompanied by all  
12 unmatured coupons appurtenant thereto.

13 Revisor's Note  
14 (End of Chapter)

15 (1) Section 5(a), V.A.C.S. Article 8280-296,  
16 provides that the district may borrow money and issue  
17 bonds payable from ad valorem taxes to fund an  
18 engineering study of the district's water supply.  
19 Section 5(a) also requires that the study be completed  
20 within five years following the effective date of  
21 Article 8280-296, which was enacted and became  
22 effective in 1963 (see also Revisor's Note (1) to  
23 Section 9302.210). The bonds issued by the district to  
24 fund the study have been paid and the district does not  
25 have any outstanding bonds. Accordingly, the revised  
26 law omits Section 5(a) as executed. The omitted law  
27 reads:

28 Sec. 5. May Issue Bonds. (a) For  
29 the purpose of providing funds for an  
30 engineering study of the District's present  
31 and future requirements for fresh water and  
32 possible sources thereof, the District is  
33 hereby empowered to borrow money and issue  
34 its negotiable bonds to be payable from ad  
35 valorem taxes. It is provided, however,  
36 that the foregoing project shall be  
37 completed within the five (5) year period  
38 immediately following the effective date of  
39 this Act and at a total cost not exceeding  
40 Seventy Thousand Dollars (\$70,000) and it  
41 is provided further, that the amount of tax  
42 to be levied annually for this purpose shall  
43 not exceed fifty cents (50¢) on each One  
44 Hundred Dollars (\$100) valuation of taxable  
45 property.

46 (2) Section 5(f), V.A.C.S. Article 8280-296,  
47 contains provisions relating to the payment of bonds  
48 from ad valorem taxes. The revised law omits Section

1 5(f) because the only authority the district had to  
2 issue bonds payable from ad valorem taxes was  
3 contained in Section 5(a). Section 5(a) is omitted  
4 from the revised law as executed (see Revisor's Note  
5 (1)). The omitted law reads:

6 (f) Where bonds are issued, payable  
7 wholly or partially from ad valorem taxes,  
8 it shall be the duty of the Board of  
9 Directors to levy, assess and cause to be  
10 collected a tax sufficient to pay the bonds  
11 and the interest thereon as such bonds and  
12 interest become due, and in levying such tax  
13 shall take into consideration reasonable  
14 delinquencies and costs of collection. In  
15 case of bonds payable partially from ad  
16 valorem taxes, the rate of the tax for any  
17 year may be fixed after giving  
18 consideration to the money reasonably to be  
19 received from the pledged revenues  
20 available for payment of principal and  
21 interest and to the extent and in the manner  
22 permitted by the resolution authorizing the  
23 issuance of the bonds.

24 (3) Section 8, V.A.C.S. Article 8280-296,  
25 provides for an election to approve bonds payable from  
26 ad valorem taxes. The revised law omits the provision  
27 because the district may not issue bonds payable from  
28 ad valorem taxes (see Revisor's Note (2)). The omitted  
29 law reads:

30 Sec. 8. Bond Elections. (a) No  
31 bonds payable wholly or partially from ad  
32 valorem taxes (except refunding bonds)  
33 shall be issued unless authorized by an  
34 election at which only the qualified  
35 voters, who reside in the District and own  
36 taxable property therein and have duly  
37 rendered the same for taxation and unless a  
38 majority of votes cast is in favor of the  
39 issuance of the bonds. Bonds not payable  
40 wholly or partially from ad valorem taxes  
41 may be issued without an election.

42 (b) Such bond elections may be called  
43 by the Board of Directors without a  
44 petition. The resolution calling the  
45 election shall specify the time and place or  
46 places of holding the same, the purpose for  
47 which the bonds are to be issued, the  
48 maximum amount thereof, the maximum  
49 interest rate, the maximum maturity thereof  
50 the form of the ballot, and the presiding  
51 judge for each voting place. The presiding  
52 judge serving at each voting place shall  
53 appoint one (1) assistant judge and at least  
54 two (2) clerks to assist in holding such  
55 election. Notice of election for the  
56 issuance of bonds shall be given by

1 publication of a substantial copy of the  
2 resolution calling the election in a  
3 newspaper of general circulation in the  
4 District once each week for at least four  
5 (4) consecutive weeks, the first  
6 publication to appear not less than  
7 twenty-eight (28) days prior to the date  
8 assigned for the election. The returns of  
9 the election shall be made to and canvassed  
10 by the Board of Directors of the District.  
11 Except as herein otherwise provided the  
12 General Laws relating to elections shall be  
13 applicable.

14 (4) Section 10, V.A.C.S. Article 8280-296,  
15 provides for an election to approve taxes to support  
16 the engineering study conducted by the district and  
17 provides that a tax imposed by the district  
18 constitutes a lien on the property on which the tax is  
19 imposed. The revised law omits the section as executed  
20 for the reasons stated in Revisor's Note (1) to Section  
21 9302.210 and Revisor's Note (1) to the end of this  
22 chapter. The omitted law reads:

23 Sec. 10. Taxes and Tax Elections  
24 Authorized. The Board of Directors may  
25 upon a favorable majority vote of the  
26 qualified property taxpaying electors of  
27 the District, voting at an election held for  
28 the purpose within the boundaries of such  
29 District, levy, assess and collect annual  
30 taxes to provide funds necessary for an  
31 engineering study of the District's present  
32 and future requirements for fresh water and  
33 possible sources thereof and also when so  
34 authorized may levy, assess and collect  
35 annual taxes within the tax limits provided  
36 for in Section 5(a) hereof, to provide funds  
37 adequate to defray the cost of such a study  
38 as contracted for by the District.  
39 Elections for the levy of such taxes shall  
40 be ordered by the Board of Directors and  
41 notice thereof shall be given and same shall  
42 be held and conducted and the results  
43 thereof determined in the manner provided  
44 herein with relation to elections for the  
45 authorization of bonds. All taxes levied by  
46 the District for any purpose shall  
47 constitute a lien on the property against  
48 which levied and limitation shall not bar  
49 the enforcement or collection thereof. In  
50 calling an election for taxes under this  
51 Section 10, the Board of Directors shall  
52 specify the maximum rate of tax which is  
53 sought to be levied and no tax in excess of  
54 that amount may be levied without  
55 submitting the question of the increased  
56 rate of taxation at an election as provided.

57 (5) Section 16, V.A.C.S. Article 8280-296,

1 provides for the levy, assessment, and collection of  
2 taxes imposed by the district. The revised law omits  
3 Section 16 because the district may not impose taxes  
4 (see Revisor's Note (2)). The omitted law reads:

5           Sec. 16. Levy, Assessment and  
6 Collection of Taxes. District taxes shall  
7 be assessed at the same value as that used  
8 for county and state purposes and collected  
9 in the same manner as provided by law with  
10 relation to county taxes, using the county  
11 tax rolls. The Tax Assessor-Collector of  
12 Aransas County shall be charged with and  
13 required to accomplish the assessment and  
14 collection of all taxes levied by and on  
15 behalf of the District and to promptly pay  
16 over the same to the District depository.  
17 For his services the County Tax  
18 Assessor-Collector shall be allowed such  
19 compensation as may be provided for by  
20 contract with the District but not to exceed  
21 the amount allowed for assessment and  
22 collection of county taxes. The bond of the  
23 County Tax Assessor-Collector shall stand  
24 as security for the proper performance of  
25 his duties as Assessor-Collector of the  
26 District or, if in the judgment of the  
27 District Board of Directors it is  
28 necessary, additional bond payable to the  
29 District may be required. In all matters  
30 pertaining to the assessment and collection  
31 of taxes for the District the County Tax  
32 Assessor-Collector shall be authorized to  
33 act and shall be governed by the laws of the  
34 State of Texas relating to state and county  
35 taxes except as herein otherwise provided  
36 and suits may be brought for the collection  
37 of such taxes and the enforcement of tax  
38 liens under the same authority. Should the  
39 County Assessor-Collector fail or refuse to  
40 give any additional bond required by the  
41 District within the time prescribed by law  
42 he shall be suspended from office by the  
43 Commissioners Court of Aransas County and  
44 immediately thereafter removed from office  
45 in the mode prescribed by law. It shall be  
46 the further duty of the Tax  
47 Assessor-Collector to make a certified list  
48 of all delinquent property on which the  
49 District taxes have not been paid and return  
50 same to the Board of Directors which shall  
51 proceed to have the same collected by the  
52 sale of the delinquent property, in the same  
53 manner, both by suit and otherwise, as is  
54 provided for the sale of property for the  
55 collection of State and County taxes; and at  
56 any such sale the District may become the  
57 purchaser of such property.

58           (6) Section 3, Chapter 582, Acts of the 62nd  
59 Legislature, Regular Session, 1971, states that public  
60 notice of enactment of the statute was provided in



1 compliance with the Texas Constitution. The revised  
2 law omits the provision as executed. The omitted law  
3 reads:

4           Sec. 3. It is determined and found  
5 that a proper and legal notice of the  
6 intention to introduce this Act, setting  
7 forth the general substance of this act, has  
8 been published at least 30 days and not more  
9 than 90 days prior to the introduction of  
10 this Act in the Legislature of Texas, in a  
11 newspaper having general circulation in  
12 Aransas County, Texas; that a copy of such  
13 notice and a copy of this Act have been  
14 delivered to the Governor of Texas who has  
15 submitted such notice and act to the Texas  
16 Water Rights Commission, and said Texas  
17 Water Rights Commission had filed its  
18 recommendation as to such Act with the  
19 Governor, Lieutenant Governor, and Speaker  
20 of the House of Representatives of Texas  
21 within 30 days from the date such notice and  
22 Act were received by the Texas Water Rights  
23 Commission; and that all the requirements  
24 and provisions of Article XVI, Section  
25 59(d), of the Constitution of the State of  
26 Texas have been fulfilled and accomplished  
27 as therein provided.

1 APPENDIX A

2 SECTION 2.01. Section 2, Chapter 372, Acts of the 56th  
3 Legislature, Regular Session, 1954 (Article 8280-234, Vernon's  
4 Texas Civil Statutes), is amended to read as follows:

5 Sec. 2. [~~It is expressly determined and found that all of~~  
6 ~~the territory included within the area of the District will be~~  
7 ~~benefited by the works and projects which are to be accomplished by~~  
8 ~~the Authority pursuant to the powers conferred by the provisions of~~  
9 ~~Article XVI, Section 59, of the Constitution of Texas.] The area of  
10 the Authority shall be all of that territory enclosed within the  
11 following metes and bounds description, to-wit:~~

12 BEGINNING at a point in the Montague and Cooke County Line, in  
13 the Southwest line of the B. B. B. & C. R. R. Co. Survey No. 23,  
14 Abst.No. 89, said point being in the Northeast boundary line of Geo.  
15 A. Larue Survey Abst.No. 1167, being 1340 vrs. more or less, N. 55  
16 W. from the South corner of said Bur. 23 B. B. B. & C. R. R. C.  
17 Survey. Abst.No. 89, and 522 vrs. more or less, N. 55 W. from the  
18 East corner of said George A. Larue Survey Abst.No. 1167:

19 THENCE North 55 West along the Southwest line of B. B. B. & C.  
20 R. R. Co. Sur. No. 23, and the Northeast line of the Geo. A. Larue  
21 Sur., at 211 vrs, more or less, pass the North cor. or the Geo. A.  
22 Larue Sur., also being the most Northerly East Cor. of the H. D.  
23 Payne Sur. Abst. No. 1376, continuing same course, at 560 vrs. pass  
24 the West corner of B. B. B. & C. R. R. Co. Sur. No. 23, Abst. No. 89,  
25 also the South corner of Jasper Field Sur. Abst. No. 1083.  
26 Continuing North 55 West along the S. W. B. L. of said Jasper Field  
27 Sur. pass his West Corner, being the South corner of B. B. B. & C. R.  
28 R. Co. Sur No. 25, Abst No. 91, and continuing same course along the  
29 S. W. B. L. of said B. B. B. & C. R. R. Co. Sur. 25, Abst. No. 91, to  
30 its West Corner, being the South corner of Jasper Field Sur. Abst.  
31 1084, being a point in the N. E. B. L. of the Elizabeth Rose Survey  
32 Abst. No. 1257, same being 4360 vrs., more or less in all from the  
33 point of beginning.

34 THENCE North 35 deg. East 950 vrs. along the N. W. B. L. of the

1 B. B. B. & C. R. R. Co. Sur. 25 Abst 91, to a point for cor. being the  
2 North Cor. or the S.W. 1/2 of said B. B. B. & C. R. R. Co. Sur. No.  
3 25, on the S. E. B. L. of the Jasper Field Sur. Abst. No. 1084;

4 THENCE North about 42 deg. West, crossing the entire Jasper  
5 Field Sur. Abst. 1084 to the South corner of the A. W. Howard Sur.  
6 Abst. No. 324.

7 THENCE North 37 deg. West 264 vrs. along the S. W. B. L. of the  
8 A. W. Howard Sur., being the most Westerly North corner of the  
9 Jasper Field Survey Abst. 1084, said point also being the East  
10 corner of the I. G. Sommers Sur. Abst. No. 694:

11 THENCE In a Northwesterly direction, crossing the I. G.  
12 Sommers Sur. Abst. 694, to its inner ell corner, also being the  
13 South Corner of the V. B. Mathews Sur. Ab. 557:

14 THENCE N. 37 deg. W. 580 vrs. along S. W. B. L. of said V. B.  
15 Matthews Survey to the most Northerly North corner of said I. G.  
16 Sommers sur. also being the most Southerly East corner of the Daniel  
17 Rasor Sur. Abst. No. 660:

18 THENCE S. 53 deg. W. 637 vrs. along S. E. B. L. of said Daniel  
19 Rasor Sor. Abst. 660, to his South corner, same being a point at an  
20 inner ell corner of the Cradrilla Irrigation Co. Sur. Abst. 1145:

21 THENCE N. 37 deg. W. 1400 vrs. corner, being the West corner  
22 of said Daniel Rasor Sur., said point also being in the S. E. B. L.  
23 of the Dye Mound and Saint Jo road:

24 THENCE N. 53 deg. E. 18.9 vrs. corner, being a point on the N.  
25 W. B. L. of Daniel Rasor Sur., also being the South corner of the A.  
26 Stewart Sur. Abst. No. 713;

27 THENCE N. 37 deg. W. at 828 vrs. pass the West corner of the A.  
28 Stewart Sur. Abst 713, at 855 varas corner, the inner ell corner of  
29 the C. E. Holmes Sur. Ab. No. 1627 said point also being the most  
30 northerly corner of the Cuadrilla Irrigation co. Sur. Abst 1145;

31 THENCE S. 53 deg. West 86.5 vrs. corner, being the most  
32 Westerly South corner of said C. E. Holmes Sur, same being the East  
33 Corner of the John Burgess Sur. Abst No. 29;

34 THENCE N. 37 deg. W. at 463 vrs. the West cor. of said C. E.

1 Holmes Sur. same being the most Southerly South cor. of the M. B.  
2 Lewis Sur. Abst. No. 424 continuing same course 907 vrs. in all to  
3 an inner ell corner of the M. B. Lewis Sur. also being the most  
4 Easterly North cor. of the John Burgess Sur. Ab. No. 29;

5 THENCE S. 53 W. at 208 vrs. cross road, in all 402 vrs, to  
6 inner ell corner of the John Burgess Sur. Abst No. 29;

7 THENCE N. 37 W. at 805 vrs. pass the North corner of the said  
8 John Burgess sur, also being the East cor of the L. S. Farrar Sur.  
9 Abst. No. 282, continuing N. 37 deg W. along the N. E. B. L. of said  
10 Farrar Sur. 1465 vrs. in all to point in South line of the Montague  
11 and Saint Jo Road, same being the West cor of the C. D. Meador et al,  
12 266.86 acre tract out of said M. B. Lewis Survey Abst. No. 424 also  
13 being the North cor. of Geo. E. and Roy R. Peery 145.75 acre tract  
14 out of said L. S. Farrar Sur. Abst No. 282;

15 THENCE S. 89 W. along S. line of said road 520 vrs. to cor. in  
16 N. W. B. L. of said Farrar survey;

17 THENCE S. 53 deg. W. 70 vrs. more or less, cor in South line of  
18 said road said point being the most Northerly E. Cor of the William  
19 C. Masters Sur Abst No. 1244;

20 THENCE in a Westerly direction, to a cor on the S. E. B. L. of  
21 the John A. Ivie Sur. Abst. No. 911, also on the N. W. B. L. of the  
22 said William C. Masters Sur. Said point being S. 53 deg. W. 184.20  
23 vrs. from the East Cor. of said John A. Iris Sur. at the South cor.  
24 of the Walter Hoover's Northeast 30.09 acre tract out of said Ivie  
25 Sur. Also being the East Cor. of L. A. Husband 57.7 acre tract out  
26 of the said John A Ivie Survey;

27 THENCE N. about 66 Deg. W. Crossing the S.W. portion of said  
28 L. A. Husband 57.7 acres out of the John A. Ivie Sur., 1080 vrs.,  
29 more or less, to the S. Cor. of the said 57.7 acre tract, in the N.  
30 W. B. L. of the said Ivie Sur;

31 THENCE N. 59-1/2 Deg. W. 378 vrs. more or less, along the N.E.  
32 Line of road to cor. in road, also being a point in the S.W. Line of  
33 the L. A. Husband 83.1 acre tract out of the M. B. Lewis Sur. Abst.  
34 No. 424;

1           THENCE S. across Geo. E. and Roy R. Peery's 130.31 acre tract  
2 out of the M. B. Lewis Sur. Abst. No. 424, to a point on the N. E. B.  
3 L. of the John W. Kelley Sur. Abst No. 408, said point being S. 43  
4 Deg. E. from the North Cor. of the said John W. Kelley Sur;

5           THENCE S. about 50 Deg. W. 520 vrs., more or less, to the East  
6 Cor of the J. W. Cole 43.32 acre tract out of said John W. Kelley  
7 Sur. Abst. No. 408, also being 290 vrs. S. 46 Deg. W. and 671.3 vrs.  
8 S. 23-1/4 Deg. E. from the N. Cor. of the said Kelley Sur. in center  
9 of Montague & Saint Jo Road;

10           THENCE S. 67.75 W. with road 169-1/2 vrs;

11           THENCE S. 77.75 W. with road 232-1/2 vrs;

12           THENCE S. 78.75 W. with said road 164.20 vrs. to a point in  
13 said road on W. bank of a ravine near the W end of a small bridge,  
14 being the S.W. Cor. of said J. W. Cole 43.32 acre tract in said  
15 Kelley Survey;

16           THENCE S. 58 Deg. W. 4314 vrs;

17           THENCE S. 58 Deg. W. 433-4/5 vrs., more or less, along the S.  
18 E. B. L. of a certain 55.29 acre tract;

19           THENCE S. 30.75 Deg. W. 118 vrs;

20           THENCE S. 61 W. 320 vrs. to Cor. on S. W. B. L. of said Kelley  
21 sur. being a point 193 vrs. S. 43 Deg. E. from the W. Cor. of said  
22 Kelley sur. also being a point on the N. E. B. L. of the M. Hunt Sur.  
23 Abst. No. 349;

24           THENCE S. 47 Deg. W. 1344 vrs. cross the M. Hunt Sur. Abst No.  
25 349, to a point on the N. E. B. L. of the J. Collier Sur. Abst. 1212,  
26 said point being 528 vrs. S. 43 E. From the N. Cor. of the said J.  
27 Collier Sur. Abst. 1212;

28           THENCE IN A S.W. direction along the S. B. L. of a certain 10  
29 acre tract, owned by the Estate of Lillie Reimers out of the N. Cor.  
30 of said J. Collier Sur, to a point of the N. E. B. L. of the M. Hunt  
31 Sur. Abst. No. 350; being 640 vrs., more or less, S. 25 E. from the  
32 N. Cor. of the M. Hunt Sur. Abst. No. 350;

33           THENCE S. 25 deg E. about 72 vrs. to Cor. in N.E. line of said  
34 Hunt Sur. also being the North cor. of the E. 20 acres of the M. Hunt

1 Sur. Abst. No. 350;

2 THENCE S. about 63 Deg. W. crossing the M. Hunt Sur. Abst 350,  
3 1345 vrs. more or less to the S. W. B. L. of same, also a point in N.  
4 E. B. L. of Blk. 18 of the upper League of Calhoun County School Land  
5 Sur. Abst. No 122, being 600 vrs. S. 25 E. from the N. Cor. of said  
6 Blk. 18;

7 THENCE S. about 67 Deg. W. across said Blk. 18 of Calhoun  
8 County School Land Sur. Abst No. 122, through that certain North W.  
9 112 acre tract in said Blk. 18, owned or once owned by J. N. Collier,  
10 approximately 1190 vrs. to the N. Cor. of Blk 19, and E. Cor. of Blk,  
11 24 of said Calhoun County School Land Sur. Abst 122;

12 THENCE W. about 430 vrs to a point for corner, which is about  
13 374 vrs. S. 47 W. and 415 vrs. N. 43 W. from the E. Cor. of Blk. 24  
14 Calhoun County School Land Sur. Abst. 122;

15 THENCE S. 43 W. at 577 Vrs. cross S. W. B. L. of Blk 24, and N.  
16 E. B. L. of Blk 25 Calhoun County Sch. Ld. Sur. Abst. 122,  
17 continuing S. 43 Deg. W. along the S. E. B. L. of the J. M. Chambers  
18 101 acres out of the N. W. Part of Blk. 25 Calhoun, in all 1525 vrs.  
19 to Cor. on S. W. B. L. of Blk. 25. Said point being the W. Cor. of C.  
20 McCall Est. S.E. 70 acre tract out of said Blk. 25 being a point in  
21 N. E. B. L. of Blk, 26, said Calhoun County School Land Survey;

22 THENCE S. 47 E. at 415 vrs. Passing the East Cor. of Blk, 26,  
23 also the North. Cor. of Blk. 21, the W. Cor. Blk. 20 and S. Cor. Blk.  
24 25, continuing S. 47 E. along N. E. B. L. of Blk. 21 to its East Cor.  
25 in all 1365 vrs;

26 THENCE S. 47 Deg. W. 600 Vrs. Cor. in N. W. B. L. of Blk 17  
27 Calhoun;

28 THENCE S. about 76 Deg. E. 1200 vrs. more or less, to the East  
29 Cor. of said Blk. 17, Calhoun Co. also being in N. Cor of Blk. 13,  
30 the W. Cor. Blk 12 and the S. Cor. of Blk 16, and Calhoun County.  
31 School Land Sur Abst. 122;

32 THENCE S. 47 Deg. E. Along N. E. B. L. of Blk. 13 at 950 vrs.  
33 pass its E Cor. also the N. Cor. Blk 9, Calhoun County School Land  
34 Sur. Continuing S. 47 E. in All 1896 vrs., more or less to the E.

1 Cor. of Said Blk. 9, Calhoun County School Land Sur. said point also  
2 being the N. Cor. of Blk. 5, the S. Cor. Blk 8 and the W. Cor of Blk.  
3 4;

4 THENCE S. 47 W. along N. W. B. L. Blk 5, 727 vrs. to point in  
5 N. W. B. L. of said Blk, 5, also being the W. Cor. of S. T. Tompkins  
6 122 acre tract in the N.E. Part of Blk 5. Calhoun County Abst. 122;

7 THENCE S. 43 Deg. E. 950 vrs to Cor. in S. E. B. L. of Blk. 5  
8 Calhoun, same being a point on N. W. B. L. of League 11 Calhoun  
9 County School Land Sur. Abst N. 121;

10 THENCE S. 47 W. 387 vrs. to a point for Cor, being the S. Cor.  
11 of Blk 5, Calhoun County Sch. Ld. Sur. Abst 122; and the West Cor. of  
12 Blk 24 Calhoun County Sch. Land, Sur. Abst No 121;

13 THENCE S. 43 E. pass the S. Cor. of Blk, 24, Calhoun County  
14 Sch. Ld. Sur. Abst. 121, which is also the W. Cor. of Blk 25, of  
15 Calhoun County Sch. Ld. Sur. Abst 121, continuing in all 1425 vrs.,  
16 more or less, to the S. Cor. of Blk, 25, also the W. Cor. of Blk 26,  
17 Calhoun County School Land Sur. Abst. No. 121;

18 THENCE S. about 47 W. 537.5 vrs. to point for Cor, being the  
19 N. Cor. of the Fred Love 220 acre tract out of Sec. 1, E. T. R. R. Co.  
20 Sur. Abst. 256;

21 THENCE S. 43 E. 1050 vrs., more or less along the N. E. L. of  
22 said Love 220 acre tract to Cor. on N. W. B. L. of Elias Spray Sur.  
23 Ab. 672, said point also being 637.5 vrs. S. 47 W. from the N. Cor.  
24 of said Spray Survey;

25 THENCE S. 47 W. 213 vrs. along the N. W. B. L. of the Spray  
26 Sur. a Cor. same being the W Cor. of the North 100 acres of the Elias  
27 Spray Sur. Abst No. 672;

28 THENCE S. 43 E. 1900 vrs. Cross the said Spray Sur. to Cor. in  
29 the S. E. B. L. also point in most Easterly N. W. B. L. of the Z.  
30 Westmoreland Sur. Abst. No. 859;

31 THENCE N. 47 E. 326 vrs. Cor. in the S.E. Line of the Spray  
32 Sur. also the most Easterly N. Cor. of the Z. Westmoreland Sur.  
33 Abst. 859, same being the most Northerly W. Cor. or the J. H. Pond  
34 Sur. Abst. No. 1505;

1           THENCE S. 45 E. 423 Vrs. the E. Cor. of Westmoreland Sur;  
2           THENCE S. 45 W. 150 vrs. a Cor. being the N. Cor. of the L. L.  
3 Mobley Sur Abst 555;  
4           THENCE S. 45 E. 950 vrs. to E. Cor of said L. L. Mobley Sur.  
5 also being in inner ell cor. of said J. H. Pound Survey;  
6           THENCE S. 45 Deg. W. 475 vrs. Cor. in S. E. B. L. of the L. L.  
7 Mobley Sur. being the most Southerly W. Cor. of said J. H. Pound  
8 Sur, also the N. Cor. of the S. D. Hughes Sur. Abst No. 1293;  
9           THENCE S. 45 Deg. E. passing S. Cor. of J. H. Pound Sur. Abst  
10 No. 1505, and W. Cor. of Levi Noblett Sur. Abst. No. 115, in all 964  
11 vrs. to point on the N. W. B. L. of George E. Bibens Sur. Abst No.  
12 310;  
13           THENCE S. 30 deg. W. 497 vrs. to the W. Cor. of the said George  
14 E. Givens Sur. also being an inner ell cor. of the S. D. Hughes Sur.  
15 Abst 1293;  
16           THENCE S. 60 E. along S. W. B. L. of said Givens Sur. 180 vrs.  
17 more or less to Cor. in West line of County Road;  
18           THENCE S. about 26 E. along W. Line of said road crossing a  
19 portion of the S. D. Hughes Sur. Abst No. 1293, 272 vrs, more or  
20 less, to a point in the N. W. B. L. of the J. W. Williams Sur. Abst  
21 No. 1398;  
22           THENCE S. 40 deg. E. along said road 685 vrs. corner;  
23           THENCE N. 72 E. along said road 55 vrs. a corner, being the  
24 most Easterly N. Cor. of a certain 23.4 acre tract in the S. Cor. of  
25 said J. W. Williams Sur. owned by Milton Littell;  
26           THENCE S. 207 vrs. to the N. W. Cor. of the Nath McElroy sur.  
27 Abst. No. 541;  
28           THENCE E. along the N. Line of said McElroy Sur. 950 vrs. to  
29 N. E. Cor. of said Sur.  
30           THENCE S. 950 vrs. to S. E. Cor. of said McElroy Sur., said  
31 point also being in the W. B. L. of the Seth Cary Sur. Ab. 1142;  
32           THENCE S. about 60 E. 979 vrs. more or less, cross the Claude  
33 A. Willis 463.8 acre tract in said Seth Cary Sur., to the N. W. Line  
34 of the S. A. Lemons Sur. Abst. No. 1169, being a point 471 vrs S. 45



1 W. from the N. Cor. of the said Lemons Sur.;

2 THENCE N. 45 E. 471 vrs. to the N. Cor. of the S. A. Lemons  
3 Sur. Abst 1169;

4 THENCE S. 45 E. along N. E. B. L. of said Lemons Sur. 950 vrs.  
5 to its E. Cor;

6 THENCE S. 45 W. 873 Vrs. along said Lemons S.E.B.L. to its  
7 most Southerly S. Cor. also cor. on the N.E.B.L. of the Dora Boohr  
8 Sur. Abst. No. 102;

9 THENCE S. 45 E. 450 vrs. to the East Cor. of said Soohar Sur.  
10 also on inner Cor. of the James Underhill Sur. Abst. No. 1007;

11 THENCE N. 107 vrs. to the most Northerly N.W. Cor. of said  
12 James Underhill Sur;

13 THENCE E. 447 vrs. to the N.E. Cor of said Underhill Sur;

14 THENCE S. 816 Vrs. to the most Southerly E. Cor. of said  
15 Underhill Sur. also a point in N.W.L. of the Alex G. Perryman Sur.  
16 Abst. No. 597, also being the most Southerly Cor. of the Seth Cary  
17 Sur. Abst No. 1142;

18 THENCE N. 45 E. about 430 Vrs. more or less to the N. Cor. of  
19 Alex G. Perryman Sur. Abst. No. 597 also being the W. Cor. of the J.  
20 L. Luckenback Sur. Ab. No. 1408;

21 THENCE S. 45 E. 751 Vrs. along N.E.B.L. of said Perryman Sur.  
22 to its E. Cor;

23 THENCE S. 45 W. 350 Vrs. more or less, to a point in the  
24 S.E.B.L. or said Perryman Sur. also being the most Northerly N. Cor.  
25 of the E. Willis (alias Ward) Sur. Abst No. 846;

26 THENCE S. 45 E. pass the S. Cor of the Geo. W. Fanning Sur.  
27 Abst. No. 1027, at 752 Vrs pass most Northerly E. Cor. of said E.  
28 Willis (alias Ward) Sur. which is also the N. Cor. of the J. B.  
29 McClyman Sur. Abst No. 494, continuing same course along N.E.B.L.  
30 of said McClyman Sur. and the S.W.B.L. of the J. F. Dlmore Sur. Abst  
31 No. 1532, to a point for cor., being the South corner of the said  
32 Elmore Sur. and the E. Cor. of said McClyman Sur;

33 THENCE S. 45° W. 1012 Vrs. along S.E.B.L. of said McClyman  
34 Sur. to its S. Cor., said point being an inner ell cor. of the L. N.

1 Gambell Sur. Ab. No. 1029;

2 THENCE N. 45° W. 144 Vrs. Cor. on S.W.L. of the McClyman Sur.  
3 also being the most Southerly E. Cor of the E. Willis Sur. also  
4 being the most Southerly N. Cor. of said L. N. Ganbell Sur;

5 THENCE S. 45° W. 525 Vrs. along the N.W.B.L. of said Gambell  
6 Sur to a point on N.E.B.L. of the J. W. Medley Sur. Abst No. 918;

7 THENCE S. 45° E. 96 Vrs. to E. Cor of the said J. W. Medley  
8 Sur;

9 THENCE S. 45° W. at 38 vrs. more or less, pass the most  
10 Northerly N. Cor. of the J. G. Barnes Sur. Abst No. 1134; at 138 vrs.  
11 more or less, the most Northerly W. Cor of said J. G. Barnes Sur.  
12 also being the North Cor. or the Francis Seeds Sur. Ab. 1043;

13 THENCE S. 45° E. with N.E.B.L. of said Francis Seeds sur, 324  
14 vrs., more or less, to Cor in W.B.L. of road;

15 THENCE S. About 65° E. Crossing road 490 vrs. more or less,  
16 across to portion of a certain 5 acre tract once owned by Grace M.  
17 Wood out of said J. G. Barnes Sur. to an inner Cor. of the J. G.  
18 Barnes Sur. Abst. No. 1134;

19 THENCE S. 180 Vrs. Cor. on N.E.B.L. of said Francis Seeds Sur.  
20 Abst 1043;

21 THENCE S. 45° E. 70 Vrs., more or less, to the E. Cor. of said  
22 Francis Seeds Sur.;

23 THENCE S. 45° W. 485 Vrs. to a point on N.E.B.L. of the James  
24 Pettitt Sur. Abst. No. 928, said point being the most Northerly S.  
25 Cor. of said Seeds Sur.;

26 THENCE S. 45° E. 643 Vrs. along the N.E.B.L. of said James  
27 Pettitt Sur. to its E. Cor.;

28 THENCE S. 45° W. 136 Vrs. along S.E.B.L. of said Pettitt Sur.  
29 to the N. Cor. of the James Wichter Sur. Abst. No. 1270;

30 THENCE S. 433 Vrs. Cor. being an inner corner of said Wichter  
31 Sur. and also the most Southerly S.W. Cor. of the J. G. Barnes Sur.  
32 Abst. No. 1134;

33 THENCE E. 125 vrs. along the S.B.L. of said Barnes Survey to  
34 Cor. being the N.W. Cor. of the W. Dalton Sur. Abst. No. 1403;

1           THENCE S. 24° E. 919 Vrs. along S.W.B.L. of said Dalton Sur.  
2 and N.E. line of said Wichter Sur. to Corner, being the S.W. Cor. of  
3 the W. Dalton Svy Abst. No. 1403;

4           THENCE S.126 vrs. the N. Cor. of the K. Houghton Sur. Abst No.  
5 337;

6           THENCE S. 45° E. 950 Vrs. along N.E.B.L. of said K. Haughton  
7 Sur. to a Cor. in the N.W.B.L. of the D. Busby Sur. Abst No. 43, at a  
8 point 211 vrs, S. 45 W. from the North Cor. of said Busby Sur. Said  
9 point also being the most Southerly S. Cor of the H. T. Mann Sur.  
10 Abst No. 1663 of 108-1/3 acres;

11           THENCE S 45° W. 739 vrs., more or less, along the N.W.L. of the  
12 D. Busby Sur. Abst. No. 43 to a Cor., being a point 950 vrs. S. 45 W.  
13 from the N. Cor. of said Busby Sur;

14           THENCE S. 45° E. 950 vrs. to a point in the N.W.B.L. of a  
15 certain 79-1/4 acre tract owned or once owned by Jane Arvil Ensey,  
16 said point being 950 vrs. S. 45 Deg. W. from the N. Cor. of said  
17 Busby Sur.;

18           THENCE N. 45° E. 475 vrs. Cor., being the N. Cor of said 79-1/4  
19 acre Ensey tract out of said Busby Sur., said point also being 950  
20 vrs. S. 45 Deg. E. and 475 Vrs. S. 45 Deg. W. from the N. Cor. of the  
21 D. Busby Sur;

22           THENCE S. 45° E. 950 Vrs. Cor. in the Southeast boundary line  
23 of the D. Busby Sur. also the Northwest boundary line of the Manson  
24 Sheid Sur. Abst. No. 688;

25           THENCE N. 45 E 475 Var. Cor. being the E. Cor. of the D. Busby  
26 Sur. Abst No. 43, and the North Corner of the Manson Sheid Survey  
27 Abst. No. 688; also being a point in the Southwest boundary line of  
28 the G. W. Greg Sur. Abst No. 902;

29           THENCE S. 45 Deg. E. 1425 vrs. to corner in the Northeast  
30 boundary line of the said Sheid survey, being 475 vrs N. 45 Deg. W.  
31 from its East Cor. said point also being the West Corner of the Mark  
32 Noble survey Abst. No. 568;

33           THENCE N. 45 Deg. E. along the Northwest boundary line of said  
34 Mark Noble survey 1020-1/2 vrs corner in Northwest boundary line of

1 said Novle survey, also in the Southeast boundary line of the J. A.  
2 Huskey Survey Abst., No. 965;

3 THENCE S. 45 Deg. E. 1934 vrs. more or less, crossing said  
4 Mark Noble Sur, to a point in the Southeast Boundary line of said  
5 Mark Noble survey, also a point on the N.W.B. line of the David  
6 Brederick Survey Abst. No. 78; said point being 904-1/2 vrs S. 45  
7 Deg. W. from the East Corner of the said Mark Noble Survey;

8 THENCE N. 45 Deg. E. 468.5 vrs., more or less, along the  
9 S.E.B. line of the Noble survey and the N.W.B. line of the David  
10 Brederick survey Abst. No. 78; being the most Northerly N.W. corner  
11 of the said Brederick Survey, also being the Most Southerly West  
12 Corner of the J. J. Boyd survey Abst. No. 1338;

13 THENCE East 375 vrs. more or less, corner in the N.B.L. of  
14 said Brederick survey; said point being 880 vrs. West of the N.E.  
15 corner of David Brederick survey;

16 THENCE South crossing the David Brederick Survey Abst. No.  
17 78, 1457 vrs., more or less, to a point in the most Southerly S.B.  
18 line of the Brederick survey, also the North line of the Robert F.  
19 Millard Survey Abst., No. 469, said point being 200 vrs. West of the  
20 N.E. corner of the Millard Survey;

21 THENCE East 200 vrs. to the N.E. corner of the Robert F.  
22 Millard Survey, also being the most Southerly S.E. corner of the  
23 Brederick survey, in the W.B. line of the Benjamine Heriage Survey  
24 Abst., No. 334 being a point 388 vrs. South of the N.W. corner of the  
25 said Benjamine Heriage Survey Abst. No. 334;

26 THENCE South along W.B. Line of the Heriage Survey 977 vrs.  
27 corner being a point 1365 vrs. South of the N.W corner of said  
28 Heriage survey, also being the S.E. corner of a 160 acre tract out  
29 of the Robert F. Millard Survey Abst. No. 469, owned or once owned  
30 by Mrs. Fannie M. Manrie et al;

31 THENCE East 600 vrs., more or less, across said Benjamine  
32 Heriage Survey to the Montague and Cooke Line, being a point 1423  
33 vrs North and 600 vrs. East of the Southwest corner of the said  
34 Heriage Survey;

1           THENCE South with the Montague and Cooke County line to the  
2 S.W. corner of Cooke County, Texas;

3           THENCE East along the South Boundary line of Cooke County,  
4 Texas, to a point, beginning at a point where the West boundary line  
5 of the John H. Splawn or Zola Munster 70 acre tract out of the James  
6 Bolin Survey Abstract No. 34, intersects with North Boundary line  
7 of Wise County, Texas;

8           Same being about 8200 feet East from the Southwest corner of  
9 Cooke County, Texas;

10          THENCE in Wise County, South along the West boundary line of  
11 said 70 acre tract to the Southwest corner of same; also being the  
12 NWC of a 60 acre tract in said survey owned or formerly owned by  
13 Splawn Muenster;

14          THENCE in a Southeasterly direction to the Southeast corner  
15 of said James Bolin survey, same being the Southeast corner of the  
16 Splawn Muenster's 60 acre tract above mentioned;

17          THENCE in an Easterly direction across the W. E. Best and Alma  
18 Brown tracts of land out of the Peter Maroney survey, Abst. No. 561  
19 and J. B. Loyd survey, Abst. No. 331 to the North corner of the  
20 Hannible Bell survey Abst. No. 47; same being the North corner of  
21 the John Newton Maxwell 85.45 acre tract in said Bell survey;

22          THENCE along the N E line of said Hannible Bell survey to the  
23 S E corner of said John Newton Maxwell 85.4 acre tract;

24          THENCE in a Southerly direction across the land of Alma Brown  
25 in said Hannible Bell survey to the N.W. line of the Berry Merchant  
26 survey, Abst. No. 588; said point being about 275 feet from the  
27 North corner of said Merchant survey, and in the North line of the  
28 Alma Brown tract of land;

29          THENCE in a Southerly direction across the lands of Alma  
30 Brown to a point which is about midway between the Northwest line  
31 and the Southeast lines of the said Berry Merchant survey, and about  
32 1000 feet from the Northeast line of the W. E. Fortenberry et al  
33 196.29 acre tract out of said Berry Merchant survey;

34          THENCE Southeasterly to the South boundary line of the W. E.

1 Fortenberry et al 196.29 acre tract being on the Southeast boundary  
2 line of said Berry Merchant survey about 2000 feet from the SEC of  
3 said Berry Merchant survey;

4 THENCE in a Southeasterly direction across the W. E.  
5 Fortenberry 121.5 acre tract in the Benjamin McGaha survey Abst.  
6 No. 544, to the NWC of the Guinn Fortenberry 107.5 acre tract out of  
7 said Benjamin McGaha survey;

8 THENCE following the West line of said Guin Fortenberry 107.5  
9 acre tract to the Southwest corner of same in the North line of the  
10 R. Z. Dempsy 65 acre tract in said survey;

11 THENCE across the North portion of said R. Z. Dempsy 65 acre  
12 tract to a point in the N.E. line of said tract which is about 700  
13 feet from the North corner of same; said point being in the West  
14 line of the S. B. Hayes 150 acre tract in said survey

15 THENCE in a Southeasterly direction and easterly direction  
16 across the S. B. Hayes 150 acre tract in said survey to a point in  
17 the Southeast line of same;

18 THENCE Northeasterly along the Southeast line of said tract  
19 to the East or Southeast corner of same in the most easterly  
20 Northeast line of said Benjamin McGaha survey, same being the West  
21 corner of the Samuel Wood survey, Abst. No. 900;

22 THENCE in a Southeasterly direction along the Southwest line  
23 of the Samuel Wood survey, Abst. No. 900 to the South corner of  
24 same; said corner also being the NWC of the Levin McHall survey,  
25 Abst. No. 549;

26 THENCE in a Southeasterly direction along the SW boundary  
27 line of said Levin McHall survey to the South or Southwest corner of  
28 the Mrs. Laura C. Holt 97.25 acre tract in said Levin McHall survey;  
29 said point also being the N.W. corner of the J. G. McCarrol 210 acre  
30 tract 85a in said survey;

31 THENCE in a Northeasterly direction along the S E line of said  
32 Mrs. Laura C. Holt 97.25 acre tract to the East or Southeast corner  
33 of same near the Wise-Denton County line;

34 THENCE in a Northeasterly direction about 200 feet across the

1 land of Kathleen Brown Foreman in the Wm. Sweeney survey, Abst. No.  
2 750 to a point in the East boundary line of Wise County, Texas, and  
3 the West boundary line of Denton County, Texas;

4 THENCE North with the East boundary line of Wise County, and  
5 the West boundary line of Denton County, Texas to the Northeast  
6 corner of said Wise County, Texas;

7 THENCE West on the North line of Wise County, Texas, and the  
8 South line of Cooke County, Texas;

9 THENCE South with West boundary line of Denton County, Texas,  
10 to a point 2000 feet North of the S. W. corner of the J. Thomas  
11 survey, Abst. No. 1239, Denton County, Texas;

12 THENCE: From the West boundary line of Denton County, S. 85  
13 Deg. E. to a point in the East line of said Thomas Survey Abstract  
14 No. 1239 and the West line of the Domingo Diaz Survey, Abstract No.  
15 376 that is 1000 feet North of the Common South corner of said  
16 Surveys;

17 THENCE S. 70 Deg. E. to a point in the South line of said Diaz  
18 Survey and the North line of the Samuel Turner Survey Abstract No.  
19 1247, 600 feet West of their common East Corner;

20 THENCE S. 14 Deg. E. through said Turner Survey to an ell  
21 corner of said Turner Survey, same being the S.W. Cor. of the J.  
22 McBride Survey, Abstract No. 861;

23 THENCE S. 55 Deg. E. through said Turner Survey, crossing the  
24 East line of said Turner Survey and the West line of the J. J.  
25 Farnsworth Survey, Abstract No. 1615, at a point 750 feet North of  
26 their common South corner, and continuing said course through said  
27 Farnsworth Survey to an inside ell corner of said Farnsworth  
28 Survey, same being an outside ell corner of the F. Y. Guthrie  
29 Survey, Abstract No. 442;

30 THENCE through said Guthrie Survey, S. 60 Deg. E. to a point  
31 in the East line of the C. F. Dickeson 317 acre tract and the West  
32 line of the C. C. Cunningham 200 acre tract in said Guthrie Survey  
33 that is 1645 feet North of the common South corner of said two  
34 tracts, same being a point midway in their common North and South

1 property line;

2 THENCE South 35 Deg. E. through said Guthrie Survey to an  
3 inner ell corner of said Guthrie Survey, same being the S.W. Cor. of  
4 the A. H. Knox Survey, Abstract No. 1702;

5 THENCE continuing through said Guthrie Survey, S. 49 deg. E.  
6 to a point in its East line and the West line of the J. M. Ruiz  
7 Survey, that is 4528 feet North of the common South corner of said  
8 Guthrie and Ruiz Surveys;

9 THENCE S. 75 deg. E. through said Ruiz Survey to a point in  
10 the East line of the E. M. Davidson 485.56 acre tract and the West  
11 line of the Mrs. N. E. Buckley 385.86 acre tract in said Ruiz  
12 Survey, that is 3500 feet North of their common South corner;

13 THENCE N. 55 deg. E. through said Buckley tract to a point in  
14 its East line and the West line of the R. G. Cole tract in said Ruiz  
15 Survey that is 1200 feet South of the Common North corner of said  
16 Buckley and Cole tracts;

17 THENCE S. 63 deg. E. crossing the East line of said Ruiz  
18 Survey and the West line of the Thomas Polk Survey, Abstract No.  
19 1000 at a point that is 1200 feet North of the S.W. Cor. of said Polk  
20 Survey, and continuing said course passing the East line of said  
21 Polk Survey and the West line of the John Ruddell Survey, Abstract  
22 No. 1061, at a point 700 feet North of their common South corner,  
23 and continuing said course to a point in the South line of said  
24 Ruddell Survey and the most Easterly North line of said Ruiz Survey  
25 that is 1500 feet East of the S.W. Cor. of said Ruddell Survey;

26 THENCE S. 20 deg. E. through said Ruiz Survey, crossing the  
27 South line of said Ruiz Survey and the North line of the James C.  
28 Jack Survey, Abstract No. 659, at a point that is 300 feet West of  
29 the most Easterly S.E. Cor. of the Ruiz Survey, same being a point  
30 that is 422 feet West of the N.E. Cor. of the C. M. Pickett 120 acre  
31 tract in said J. C. Jack Survey;

32 THENCE S. 20 Deg. E. to a point in the East line of said C. M.  
33 Pickett 120 acre tract and the West line of the R. M. Evers 266.5  
34 acre tract that is 2500 feet North of their common South Corner;



1           THENCE S. 40 Deg. E. through said Jack Survey to a point in  
2 the East line of said Jack Survey and the West line of the J. C. P.  
3 Melton Survey, Abstract No. 802, that is 2700 feet North of the S.W.  
4 Corner of said Melton Survey;

5           THENCE S. 32 Deg. E. through said Melton Survey, to a point in  
6 the South line of said Melton Survey and the North line of the  
7 Thomas Polk Survey, Abstract No. 997, that is 1,650 feet East of the  
8 S.W. Cor. of said Melton Survey;

9           THENCE S. 50 Deg. E. to the S.E. Cor. of the W. E. Cox 151 acre  
10 tract, a point in the South line of said Polk Survey;

11           THENCE East along the South line of said Polk Survey to the  
12 East line of the G. C. & SF. R. R. Co. right-of-way;

13           THENCE N. 47 Deg. E. along the East line of said right-of-way  
14 to a point in said Melton Survey that is 2500 feet West and 100 feet  
15 North of the S.E. Cor. of said Melton Survey:

16           THENCE S. 72 Deg. E. to the S.E. Cor. of said Melton Survey;  
17 same being an inner ell corner of the John Ayers Survey, Abstract  
18 No. 2, and being the N.E. Cor. of the H. C. Barthold 182.5 acre tract  
19 in said Ayers Survey;

20           THENCE South along the East line of said Barthold tract to its  
21 S.E. Cor. in the South line of said Ayers Survey and the North line  
22 of the John W. Gibbons Survey, Abstract No. 446, and continuing  
23 South 200 feet to the Northeasterly right-of-way line of the G. C. &  
24 S. F. R. R. Co. in said Gibbons Survey;

25           THENCE along the N.E. right-of-way line of said railroad, S.  
26 27 Deg. 37 Min. E. to the East line of said Gibbons Survey, 3000.00  
27 feet North of its S.E. Cor;

28           THENCE South to the N.W. Cor. of the B.B.B. & C.R.R. Co.  
29 Survey, Abst No 141;

30           THENCE S. 62 Deg. E. crossing the East line of said B. B. B. &  
31 C. R. R. Co., Survey and the West line of the N. Wade Survey at a  
32 point that is 500 feet South of the N. W. Cor. of said Wade Survey;  
33 and continuing said course to a point in the East line of said Wade  
34 Survey, same being the N. W. Cor. of the N. H. Meisenheimer Survey

1 Abst No. 810;

2 THENCE S. 52 Deg. E. through said Meisenheimer Survey to the  
3 S. W. cor. of the F. N. Riney 94.5 acre tract in said Survey;

4 THENCE East through said Survey, crossing its East line and  
5 the West line of the Thomas Toby Survey, Abstract No. 1288, and  
6 crossing the East line of said Toby survey and the West line of the  
7 B. B. B. & C. R. R. Co Survey, Abstract No 186, to a point in the  
8 center of the old U. S. Highway No. 77;

9 THENCE S. 35 Deg. E. in the Center of said highway to a point  
10 in said B. B. B. & C. R. R. Co., survey in the North City Limits  
11 Boundary line of the City of Denton, Texas;

12 THENCE FOLLOWING AND ALONG SAID City Limits line, East to the  
13 West line of the Joseph Carter Survey, Abst No. 268, South to the  
14 center of the West line of said Carter Survey, East to Stuart Lane,  
15 North crossing the North line of said Carter Survey to the N. W.  
16 Cor. of the John Carter Survey, Abstract No. 274, same being the N.  
17 W. Cor. of the Holiday Park Addition to the City of Denton; S. 85  
18 deg. E. along the North line of said Holiday Park and the North line  
19 of Norchester Additions to the N. E. Cor. of said Norchester  
20 Addition, a point in said John Carter Survey; S. 2 Deg. 45 min. W.  
21 1351 feet to the South line of said John Carter Survey; West to the  
22 N. W. Corner of the Hardin Carter Survey, Abstract No. 281; South  
23 660 feet to the North line of the R. E. A. power line 110 ft  
24 easement; S. 62 Deg. 48 min. E. along the North line of said  
25 Easement to the North line of the Windsor Park Addition in said H.  
26 Carter Survey; N. 62 deg. E. along the North line of said Windsor  
27 Park to the West line on the Wesley Pogue Survey, Abst. No. 1012, a  
28 point 600 feet South of the N. W. Cor. of said Pogue Survey; N. 86  
29 Deg 38 min. E. 439 feet to the N. E. Cor. of said Windsor Park  
30 Addition;

31 THENCE S. 1 deg. 07 min. E. 2345.4 feet to the North line of  
32 Texas State Highway No. 24; Westerly along the North line of said  
33 highway to the East line of the J. D. Lilly Survey, Abstract No.  
34 762; South along the East line of the J. D. Lilly Survey and the West

1 line of the Wm. Lloyd Survey, Abstract No. 773 to a point midway in  
2 the common North and South line of said surveys;

3 THENCE departing from said City of Denton City Limits  
4 Boundary line on a course S. 50 degrees East through said Wm. Lloyd,  
5 M. E. P. & P. R. R. Co., Survey, Abstract No 1473 and Abstract No 927  
6 to a point in the East line of said Abstract no. 927 and the West  
7 line of the Moreau Forrest Survey, Abstract No. 417, being the S. W.  
8 Cor. of Block "B" and the N.W. Cor. of Block "C" of said Forrest  
9 Survey according to the plat of the Subdivision of said Survey, of  
10 Record in Volume 50, page 236 of the Deed Records of Denton County,  
11 Texas;

12 THENCE EAST in the center of a road between said Blocks B & C  
13 to the N. E. Cor. of Lot 4, Block B, of said Subdivision;

14 THENCE S. 60 deg. E. through said Forrest Survey to a point in  
15 the South line of Lot 2, Block "F" of said Subdivision 430 varas  
16 East of the S. W. Cor. of said Lot 2, same being a point in the West  
17 property line of the U. S. A. Garza-Little Elm Reservoir, known as  
18 the 535 foot Elevation Contour Line, as acquired originally by the  
19 City of Dallas, Texas, for the Lake Dallas Reservoir;

20 THENCE following and along said 535 foot contour line and the  
21 property line of said Reservoir as set out and described by field  
22 notes and maps of record in the Office of the County Clerk of Denton  
23 County, Texas, in metes and bounds, reference to which is hereby  
24 made, in a generally Northerly direction through the said Moreau  
25 Forrest Survey, the William Dabbs Survey, Abstract No. 328, the T.  
26 H. Living Survey, Abstract No. 729, the J. Douthitt Survey,  
27 Abstract No. 329, the J. West Survey, Abstract No. 1331 to a point  
28 in the South line of said West Survey that is 1,100 varas East of the  
29 S. W. Cor. of said West Survey, said point being the S.E. Corner of  
30 the G.W. Martin Estate 460 acre tract in said West Survey;

31 THENCE North 2,994 varas to the N.E. Cor. of said 460 acres in  
32 the North line of said West Survey and the South line of the J. A.  
33 Clayton Survey, Abstract No. 221;

34 THENCE West 1030.5. varas to the N. W. Cor. of said West

1 Survey and the S. W. Cor. of said Clayton Survey, same being the S.  
2 E. Cor. of the J. Petty Survey, Abstract No. 1027;

3 THENCE North along the East line of said Petty Survey 1,100  
4 feet;

5 THENCE N. 70 deg. W. to the S.W. Cor. of the P. O'Leary  
6 Survey, Abstract No. 977, same being the middle S. E. Cor. of the  
7 John Thomas Survey, Abstract No. 1240;

8 THENCE North 816 varas to the N. E. Cor. of the W. N. Masters  
9 Estate 173 acre tract in said Thomas Survey;

10 THENCE West 190 varas to the S. E. Cor. of the E. L. Lynch 100  
11 acre tract in said Thomas Survey;

12 THENCE North 1000 feet; THENCE N. 60 deg. W. through said 100  
13 acre tract to a point in its West line at the S. E. Cor. of the  
14 Kenneth Craver 27.50 acre tract in said Thomas Survey; THENCE N. 40  
15 Deg. W. to the North line of said Thomas Survey and the South line of  
16 the W. A. Thompson Survey, Abstract No. 1238 that is 1,900 feet East  
17 of S. W. Cor. of said Thompson Survey;

18 THENCE North 2843 feet to a point in the North line of the  
19 Ellen Davis 318 acre tract in said Thompson Survey;

20 THENCE West 900 feet to the N. W. Cor. of said 318 acres in the  
21 West line of said Thompson Survey and the East line of the A. W.  
22 Patton Survey, Abstract No. 990;

23 THENCE North 1,060 feet to the N. E. Cor. of the Stormy  
24 Jackson 351.77 acre tract in said Patton Survey;

25 THENCE West 1320 feet to a point in the South line of the  
26 Kenneth Craver 222.84 acre tract in said Patton Survey;

27 THENCE North crossing the North line of said Patton Survey  
28 and the South line of the John Morton Survey, Abstract No. 792,  
29 continuing North to the North line of said Morton Survey and the  
30 South line of the Carmel Manchaca Survey, Abstract No. 790 at a  
31 point 1320 feet West of their common East Corner;

32 THENCE West 185 feet to the S. E. Corner of the Jessie Earl  
33 Seal 69 acre tract in said Manchaca Survey;

34 THENCE N. 30 deg. W. through said Manchaca Survey to the S. E.

1 Cor. of the Mrs. Harriett McReynolds 209.5 acre tract in said  
2 Manchaca Survey;

3 THENCE North along the East line of said 209.5 acre tract 1800  
4 feet;

5 THENCE West 3,009 feet to the N. W. Cor. of said 209.5 acres  
6 in the West line of said Manchaca Survey;

7 THENCE NORTH ALONG THE West line of said Manchaca Survey and  
8 the East line of the John Morton Survey, Abstract No. 792 to a point  
9 in the East line of the H. S. Talley 122 acre tract that is 1,952  
10 feet South of the N. E. Cor. of said 122 acres;

11 THENCE N. 35 deg W. to a point in the North line of said 122  
12 acres that is 1,500 feet West of its N. E. Cor.; THENCE North to the  
13 Northline of the H. S. Talley 127.5 acre tract in said Morton  
14 Survey, a point 1,500 feet West of the N. E. Cor. of said 127.5  
15 acres;

16 THENCE N. 50 deg. W. crossing the West line of said Morton  
17 Survey and the East line of the Reuben Bebee Survey and continuing  
18 said course through said Bebee Survey to the S. E. Cor of the G. H.  
19 Davis 62.48 acre tract in said Bebee Survey; THENCE west 1,460 feet  
20 to the S. W. Cor. of said 62.43 acre tract;

21 THENCE S. 40 deg. W. to a point in the West line of the Bobby  
22 Joe Ready 69 acre tract and the East line of the B. B. Looper 80 acre  
23 tract in said Bebee Survey that is 1,000 feet North of the S. E. Cor.  
24 of said 80 acres and S. W. Cor. of said 69 acres;

25 THENCE N. 45 deg. W. through said Bebee Survey to the S. E.  
26 Cor. of the Legear and Cooper 184 acre tract in said Bebee Survey;  
27 THENCE West 2,669 feet to the S. W. Cor. of said 184 acres; THENCE  
28 North 4,732 feet to the N. W. Cor. of said 184 acres, a point in the  
29 North line of said Bebee Survey and the South line of the B. F. Lynch  
30 Survey, Abstract No. 725; THENCE West 500 feet to the S. E. Cor. of  
31 the F. N. Michael 100 acre tract in said Lynch Survey;

32 THENCE N. 40 deg. W. through said Lynch Survey to its West  
33 line and the East line of the William Mason Survey, Abst. No. 801, a  
34 point 4500 feet North of the common South corner of said Mason &

1 Lynch Surveys; THENCE West through said Mason Survey 5,062 feet to a  
2 point in the East line of the Ruby Seal Dennis 160 acre tract out of  
3 said Mason Survey that is 1,200 feet North of its S. E. Cor.; Thence  
4 N. 25 deg. W. crossing the North line of said Mason Survey and the  
5 South line of the B. B. B. & C. R. R. Co., Survey, Abstract No. 199  
6 at a point 2700 feet East of the N. W. Cor. of said Mason Survey and  
7 continuing said course crossing the North line of said B. B. B. & C.  
8 R. R. Co. Survey at a point 4350 feet East of the S. W. Corner of the  
9 Edward Bradley Survey and continuing said course to a point in the  
10 North line of Denton County and the South line of Cooke County that  
11 is 4000 feet East of 670 feet North of the S. W. Cor. of said Bradley  
12 Survey.

13 THENCE North from the North Denton and the South Cooke County  
14 line to the N. W. corner of 90.7 acres out of the John Adda Survey  
15 Abst. No. 1177, owned by W. R. Chatfield;

16 THENCE W. 431 vrs to S. W. Cor of 91 acre tract owned by H. J.  
17 Hassenpflug;

18 THENCE N. 1117 varas to the N. E. Cor. of Willis Hester Survey  
19 #1200;

20 THENCE W. 1057 varas to S. W. Corner of B. B. B. & C. R. R. Co  
21 Surv Abst #1747;

22 THENCE N with the road to the corner of road;

23 THENCE W. 997-1/2 vrs to S. W. cor of 69.8 acres owned by  
24 Howard Springer formerly owned by Phillip Miller and the N. W. Cor.  
25 of 96-1/2 acres owned by R. L. Masten;

26 THENCE: North 1093 varas, to NE cor of a 113.75 acres owned by  
27 T. J. Maston now owned by D. D. Roberson;

28 THENCE W 627 vrs to S. W. Cor of 50 acre tract owned by T. S.  
29 Stephens on N. line of 113.75 acres T. J. Maston land;

30 THENCE North 1795 vrs to N E cor of a 70 acres owned by W. S.  
31 Pace Estate and the N W cor of the 100 acres owned by Dan Flint;

32 THENCE West 190 varas to S. E. Cor of 117 acres of Isa  
33 Hudspeth, on the North line of 70 acres owned by W. S. Pace Estate.

34 THENCE North 894-1/2 vrs to N E corner of Isa Hudspeth 117

1 acres;

2           THENCE West 134 vrs to corner on N line of 117 acres owned by  
3 Isa Hudspeth;

4           THENCE North 767-1/2 varas to N. E. Cor of 40 acre tract owned  
5 by Lucy Mae Nichols;

6           THENCE West 240 vrs to S. E. Cor of a 155-1/2 acres on the S  
7 line of the J. Dillingham survey and the North line of Bushnell  
8 Garner Survey;

9           THENCE North 937 vrs to N E corner of 155-1/2 acres in the  
10 Dillingham Survey Abstract #297 owned by R. E. Nichols estate;

11           THENCE West 937 varas to N. W. cor. of a 155-1/2 acres owned  
12 by R. E. Nichols estate;

13           THENCE North 144 vrs to the N. E. Corner of 395 acres on the E.  
14 Line of the C. O. D. Gillan survey and the West line of Dillingham  
15 Survey;

16           THENCE West 1032 vrs to S. E. corner of W. G. Colwell 250  
17 acres on North line 395 acres formerly owned by J. B. Dunningham  
18 estate and now owned by F. W. Fischer;

19           THENCE North 1362 vrs to N E corner of said Colwell 250 acres;

20           THENCE West 1036 vrs to N W cor. of the W. G. Colwell estate,  
21 out of the COD Gillan survey, which is also the S W corner of Robt A.  
22 Bently 286.6 acres tract out of the N W cor of said COD Gillan  
23 Survey:

24           THENCE South 500 vrs to S. E. corner a 346 acre formerly owned  
25 by G. D. Lewis estate now owned by Mrs Francis Jones Yarbrough;

26           THENCE West 1252 vrs to S. W. corner of the said 346 acre  
27 tract now owned by Francis Jones Yarbrough;

28           THENCE South 22 vrs to the S. E. corner a 100.67 a tract  
29 formerly owned by Robert Baird et al, now owned by Mrs Cora  
30 Staniforth;

31           THENCE South 234 vrs to S. E. Cor. of 132.95 acres of J. A.  
32 Wylie, now owned by Hubert Felderhoff;

33           THENCE West 847 vrs to S. W. Corner of said 132.95 acres;

34           THENCE North 556 vrs to S. E. Cor. of 50 acres of land out of

1 the Thomas Cooke survey, owned by the estate of G. E. Bently, which  
2 is also the N. E. cor. of 80 acre tract owned by said Bentley Estate;  
3       THENCE West 819 vrs to S W corner of said 50 acres;  
4       THENCE North 650 vrs to S. E. Corner of the Williams 1000 acre  
5 tract; on the E. B. line of the H. Nail survey Abst. # 790 which is  
6 also the W. Line of the Thos. Cooke Survey;  
7       THENCE West 2195 vrs to S. W. Corner of said Williams 1000  
8 acres;  
9       THENCE North 2388 vrs to the N W corner of the B M Williams  
10 estate 1000 acres out of N E cor. of the Nail Survey;  
11       THENCE West 1090 vrs to S. W. cor. of P. G. Yarbrough survey  
12 Abst. No. 1175;  
13       THENCE N 1900 vrs to N W cor. of said Yarbrough survey;  
14       THENCE E. 174 vrs to S. W. corner of Melville Langham survey  
15 abst. no. 564;  
16       THENCE North 1150 vrs to N. E. Corner of the Jones land in the  
17 James Lewis survey Abst. No. 567; on the West line of the Melville  
18 Langham Surv;  
19       THENCE West 1506 varas a corner;  
20       THENCE South 356 vrs a corner;  
21       THENCE West 601-3/4 vrs a corner;  
22       THENCE South 902-1/4 vrs to South line of Lewis survey, Abst.  
23 No. 567;  
24       THENCE West 601 vrs to S W corner of said James Lewis survey;  
25       THENCE North 800 vrs on the W B Line of James Lewis Survey to S  
26 E cor. Joseph Gregory 100a tract;  
27       THENCE West 1013 vrs to S. W. corner of Joseph Gregory 100  
28 acres now owned by Earl Bentley;  
29       THENCE North 553 vrs to NW cor. of said 100 acres,  
30       THENCE West 522 vrs to the S.E. cor. of 100 acre tract  
31 formerly owned by R. L. Hickcox;  
32       THENCE North 650 vrs to the Gainesville and Forestburg road,  
33 being the S. Line of the BBB & CRR Co Survey Abst. No. 146; also N  
34 Line of Thos. Toby Surveys Abst. No. 1060 & #1062;



1           THENCE West 2605 vrs along the Gainesville and Forestburg  
2 road to the Muenster and Linn Schoolhouse road and the E. Line of  
3 the E. Langford Survey, Abst. No. 566;

4           THENCE North 950 vrs, along the E. Line of the said E.  
5 Langford survey;

6           THENCE West 4650 vrs parallel with N. Line of said Langford  
7 survey to the West line of said Langford Survey:

8           THENCE North 550 varas with the W. Line of said Langford  
9 survey to its North West corner;

10          THENCE West 878 vrs to the E. Line of the W. W. Hobson survey  
11 Abstract No. 481;

12          THENCE North 45 degrees West 900 vrs to the North line of the  
13 W. W. Hobson survey Abst. No. 481;

14          THENCE North 900 varas to the S. Corner of the BBB & CRR Co  
15 Survey Abstract No. 145;

16          THENCE North 55 degrees West, 1900 varas to West corner of  
17 said BBB & CRR Co Survey;

18          THENCE South 35 degrees West 180 vrs to the S. Corner of the  
19 W. T. & S. T. Perry Survey Abst. No. 1424;

20          THENCE North 55 degrees West 1900 vrs to the North corner of  
21 the SPRR Co Survey Abst. No. 985;

22          THENCE North 35 de. E. 181 vrs to the South corner of the BBB &  
23 CRR Co survey, Abst. #136;

24          THENCE North 55 degrees West with the South Boundary line of  
25 said BBB & CRR Co Survey, Abst. 136, at its intersection of the  
26 Cooke and Montague County lines, to the place of beginning.

27          ~~[No error or discrepancy in the foregoing field notes shall~~  
28 ~~adversely affect the validity of the Authority or the exercise of~~  
29 ~~any power of the Authority granted herein, it being hereby found and~~  
30 ~~determined that all of the territory and taxable property contained~~  
31 ~~within such boundaries will be benefited by the works and~~  
32 ~~improvements of the Authority.]~~

33          SECTION 2.02. To conform to Section 311.026, Government  
34 Code, the following sections of the Special District Local Laws

1 Code are repealed:

- 2 (1) 3801.102;
- 3 (2) 3802.102;
- 4 (3) 3803.008;
- 5 (4) 3804.102;
- 6 (5) 3805.008;
- 7 (6) 3806.102;
- 8 (7) 3807.007;
- 9 (8) 3808.007;
- 10 (9) 3811.007;
- 11 (10) 3812.007;
- 12 (11) 3813.102;
- 13 (12) 3815.007;
- 14 (13) 3816.008;
- 15 (14) 6601.101(b);
- 16 (15) 6901.052;
- 17 (16) 8102.101(b);
- 18 (17) 8801.101(b);
- 19 (18) 9003.101(b); and
- 20 (19) 11001.002(c).

21 SECTION 3.01. The following statutes are repealed:

- 22 (1) Chapter 136, Acts of the 55th Legislature, Regular  
23 Session, 1957;
- 24 (2) Sections B-D, Chapter 32, Acts of the 56th  
25 Legislature, Regular Session, 1959;
- 26 (3) Section 5, Chapter 71, Acts of the 70th  
27 Legislature, 2nd Called Session, 1987;
- 28 (4) Sections 1.01 and 1.02 and Articles 2-11, Chapter  
29 137, Acts of the 70th Legislature, Regular Session, 1987;
- 30 (5) Chapter 355, Acts of the 71st Legislature, Regular  
31 Session, 1989;
- 32 (6) Chapter 238, Acts of the 58th Legislature, Regular  
33 Session, 1963;
- 34 (7) Chapter 74, Acts of the 66th Legislature, Regular

- 1 Session, 1979;
- 2 (8) Chapter 494, Acts of the 60th Legislature, Regular  
3 Session, 1967;
- 4 (9) Subchapter C, Chapter 396, Local Government Code;
- 5 (10) Sections 1, 2, and 4-17, Chapter 1026, Acts of the  
6 70th Legislature, Regular Session, 1987;
- 7 (11) Section 6, Chapter 1453, Acts of the 77th  
8 Legislature, Regular Session, 2001;
- 9 (12) Sections 1 and 3, Chapter 10, Acts of the 78th  
10 Legislature, Regular Session, 2003;
- 11 (13) Sections 1-3 and 5-33, Chapter 784, Acts of the  
12 78th Legislature, Regular Session, 2003;
- 13 (14) Sections 1-3 and 5-32, Chapter 997, Acts of the  
14 78th Legislature, Regular Session, 2003;
- 15 (15) Sections 1-3 and 5-33, Chapter 1160, Acts of the  
16 78th Legislature, Regular Session, 2003;
- 17 (16) Sections 1-3 and 5-32, Chapter 1254, Acts of the  
18 78th Legislature, Regular Session, 2003;
- 19 (17) Sections 1-3 and 5-26, Chapter 1159, Acts of the  
20 78th Legislature, Regular Session, 2003;
- 21 (18) Sections 1-3 and 5-32, Chapter 1255, Acts of the  
22 78th Legislature, Regular Session, 2003;
- 23 (19) Sections 1-3 and 5-20, Chapter 885, Acts of the  
24 78th Legislature, Regular Session, 2003;
- 25 (20) Sections 1-3 and 5-20, Chapter 1297, Acts of the  
26 78th Legislature, Regular Session, 2003;
- 27 (21) Sections 1-3 and 5-26, Chapter 765, Acts of the  
28 78th Legislature, Regular Session, 2003;
- 29 (22) Sections 1, 2, and 4-33, Chapter 1292, Acts of the  
30 78th Legislature, Regular Session, 2003;
- 31 (23) Sections 1-3 and 5-31, Chapter 987, Acts of the  
32 78th Legislature, Regular Session, 2003;
- 33 (24) Sections 1-3 and 5-28, Chapter 777, Acts of the  
34 78th Legislature, Regular Session, 2003;

- 1           (25) Articles 1-8, Subchapter B, Chapter 777, Acts of  
2 the 78th Legislature, Regular Session, 2003;
- 3           (26) Sections 1-3 and 5-21, Chapter 1157, Acts of the  
4 78th Legislature, Regular Session, 2003;
- 5           (27) Sections 1 and 3-11, Chapter 66, Acts of the 55th  
6 Legislature, Regular Session, 1957;
- 7           (28) Sections 2-12, Chapter 26, Special Laws, Acts of  
8 the 41st Legislature, 4th Called Session, 1930;
- 9           (29) Sections 2-4, Chapter 108, Acts of the 56th  
10 Legislature, Regular Session, 1959;
- 11           (30) Section 2, Chapter 133, Acts of the 57th  
12 Legislature, Regular Session, 1961;
- 13           (31) Section 2, Chapter 247, Acts of the 57th  
14 Legislature, Regular Session, 1961;
- 15           (32) Sections 1-3, 4(b), and 5-14, Chapter 522, Acts  
16 of the 71st Legislature, Regular Session, 1989;
- 17           (33) Sections 1-3 and 5-18, Chapter 600, Acts of the  
18 63rd Legislature, Regular Session, 1973;
- 19           (34) Sections 1, 2, and 4-11, Chapter 959, Acts of the  
20 73rd Legislature, Regular Session, 1993;
- 21           (35) Sections 1 and 3-25, Chapter 357, Acts of the 61st  
22 Legislature, Regular Session, 1969 (V.A.C.S. Article 8280-438);
- 23           (36) Chapter 429, Acts of the 70th Legislature,  
24 Regular Session, 1987;
- 25           (37) Sections 2-8, Chapter 244, Acts of the 58th  
26 Legislature, Regular Session, 1963 (V.A.C.S. Article 8280-286);
- 27           (38) Sections 1A-6, Chapter 523, Acts of the 54th  
28 Legislature, Regular Session, 1955 (V.A.C.S. Article 8280-189);
- 29           (39) Section 2, Chapter 1052, Acts of the 68th  
30 Legislature, Regular Session, 1983;
- 31           (40) Sections 1 and 3-14, Chapter 372, Acts of the 56th  
32 Legislature, Regular Session, 1959 (V.A.C.S. Article 8280-234);
- 33           (41) Chapter 605, Acts of the 63rd Legislature,  
34 Regular Session, 1973;

1           (42) Chapter 370, Acts of the 73rd Legislature,  
2 Regular Session, 1993;

3           (43) Chapter 544, Acts of the 74th Legislature,  
4 Regular Session, 1995;

5           (44) Section 2, Chapter 1104, Acts of the 76th  
6 Legislature, Regular Session, 1999;

7           (45) Chapter 337, Acts of the 58th Legislature,  
8 Regular Session, 1963 (V.A.C.S. Article 8280-296); and

9           (46) Sections 2 and 3, Chapter 582, Acts of the 62nd  
10 Legislature, Regular Session, 1971.

11           SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.

12 This Act is enacted under Section 43, Article III, Texas  
13 Constitution. This Act is intended as a codification only, and no  
14 substantive change in the law is intended by this Act. This Act  
15 does not increase or decrease the territory of any special district  
16 of the state as those boundaries exist on the effective date of this  
17 Act.

18           SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS

19 LAW. (a) The repeal of a law, including a validating law, by this  
20 Act does not remove, void, or otherwise affect in any manner a  
21 validation under the repealed law. The validation is preserved and  
22 continues to have the same effect that it would have if the law were  
23 not repealed.

24           (b) Subsection (a) of this section does not diminish the  
25 saving provisions prescribed by Section 311.031, Government Code.

26           SECTION 4.03. EFFECTIVE DATE. This Act takes effect April  
27 1, 2007.

1 APPENDIX B

2 CHAPTER 311. CODE CONSTRUCTION ACT

3 (current as of end of 79th Legislature, Regular Session, 2005)

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 311.001. SHORT TITLE. This chapter may be cited as  
6 the Code Construction Act.

7 Sec. 311.002. APPLICATION. This chapter applies to:

8 (1) each code enacted by the 60th or a subsequent  
9 legislature as part of the state's continuing statutory revision  
10 program;

11 (2) each amendment, repeal, revision, and reenactment  
12 of a code or code provision by the 60th or a subsequent legislature;

13 (3) each repeal of a statute by a code; and

14 (4) each rule adopted under a code.

15 Sec. 311.003. RULES NOT EXCLUSIVE. The rules provided in  
16 this chapter are not exclusive but are meant to describe and clarify  
17 common situations in order to guide the preparation and  
18 construction of codes.

19 Sec. 311.004. CITATION OF CODES. A code may be cited by its  
20 name preceded by the specific part concerned. Examples of  
21 citations are:

22 (1) Title 1, Business & Commerce Code;

23 (2) Chapter 5, Business & Commerce Code;

24 (3) Section 9.304, Business & Commerce Code;

25 (4) Section 15.06(a), Business & Commerce Code; and

26 (5) Section 17.18(b)(1)(B)(ii), Business & Commerce  
27 Code.

28 Sec. 311.005. GENERAL DEFINITIONS. The following  
29 definitions apply unless the statute or context in which the word or  
30 phrase is used requires a different definition:

31 (1) "Oath" includes affirmation.

32 (2) "Person" includes corporation, organization,  
33 government or governmental subdivision or agency, business trust,  
34 estate, trust, partnership, association, and any other legal

1 entity.

2 (3) "Population" means the population shown by the  
3 most recent federal decennial census.

4 (4) "Property" means real and personal property.

5 (5) "Rule" includes regulation.

6 (6) "Signed" includes any symbol executed or adopted  
7 by a person with present intention to authenticate a writing.

8 (7) "State," when referring to a part of the United  
9 States, includes any state, district, commonwealth, territory, and  
10 insular possession of the United States and any area subject to the  
11 legislative authority of the United States of America.

12 (8) "Swear" includes affirm.

13 (9) "United States" includes a department, bureau, or  
14 other agency of the United States of America.

15 (10) "Week" means seven consecutive days.

16 (11) "Written" includes any representation of words,  
17 letters, symbols, or figures.

18 (12) "Year" means 12 consecutive months.

19 (13) "Includes" and "including" are terms of  
20 enlargement and not of limitation or exclusive enumeration, and use  
21 of the terms does not create a presumption that components not  
22 expressed are excluded.

23 Sec. 311.006. INTERNAL REFERENCES. In a code:

24 (1) a reference to a title, chapter, or section  
25 without further identification is a reference to a title, chapter,  
26 or section of the code; and

27 (2) a reference to a subtitle, subchapter, subsection,  
28 subdivision, paragraph, or other numbered or lettered unit without  
29 further identification is a reference to a unit of the next larger  
30 unit of the code in which the reference appears.

31 SUBCHAPTER B. CONSTRUCTION OF WORDS AND PHRASES

32 Sec. 311.011. COMMON AND TECHNICAL USAGE OF WORDS. (a)  
33 Words and phrases shall be read in context and construed according  
34 to the rules of grammar and common usage.

1 (b) Words and phrases that have acquired a technical or  
2 particular meaning, whether by legislative definition or  
3 otherwise, shall be construed accordingly.

4 Sec. 311.012. TENSE, NUMBER, AND GENDER. (a) Words in the  
5 present tense include the future tense.

6 (b) The singular includes the plural and the plural includes  
7 the singular.

8 (c) Words of one gender include the other genders.

9 Sec. 311.013. AUTHORITY AND QUORUM OF PUBLIC BODY. (a) A  
10 grant of authority to three or more persons as a public body confers  
11 the authority on a majority of the number of members fixed by  
12 statute.

13 (b) A quorum of a public body is a majority of the number of  
14 members fixed by statute.

15 Sec. 311.014. COMPUTATION OF TIME. (a) In computing a  
16 period of days, the first day is excluded and the last day is  
17 included.

18 (b) If the last day of any period is a Saturday, Sunday, or  
19 legal holiday, the period is extended to include the next day that  
20 is not a Saturday, Sunday, or legal holiday.

21 (c) If a number of months is to be computed by counting the  
22 months from a particular day, the period ends on the same numerical  
23 day in the concluding month as the day of the month from which the  
24 computation is begun, unless there are not that many days in the  
25 concluding month, in which case the period ends on the last day of  
26 that month.

27 Sec. 311.015. REFERENCE TO A SERIES. If a statute refers  
28 to a series of numbers or letters, the first and last numbers or  
29 letters are included.

30 Sec. 311.016. "MAY," "SHALL," "MUST," ETC. The following  
31 constructions apply unless the context in which the word or phrase  
32 appears necessarily requires a different construction or unless a  
33 different construction is expressly provided by statute:

34 (1) "May" creates discretionary authority or grants



1 permission or a power.

2 (2) "Shall" imposes a duty.

3 (3) "Must" creates or recognizes a condition  
4 precedent.

5 (4) "Is entitled to" creates or recognizes a right.

6 (5) "May not" imposes a prohibition and is synonymous  
7 with "shall not."

8 (6) "Is not entitled to" negates a right.

9 (7) "Is not required to" negates a duty or condition  
10 precedent.

11 SUBCHAPTER C. CONSTRUCTION OF STATUTES

12 Sec. 311.021. INTENTION IN ENACTMENT OF STATUTES. In  
13 enacting a statute, it is presumed that:

14 (1) compliance with the constitutions of this state  
15 and the United States is intended;

16 (2) the entire statute is intended to be effective;

17 (3) a just and reasonable result is intended;

18 (4) a result feasible of execution is intended; and

19 (5) public interest is favored over any private  
20 interest.

21 Sec. 311.022. PROSPECTIVE OPERATION OF STATUTES. A  
22 statute is presumed to be prospective in its operation unless  
23 expressly made retrospective.

24 Sec. 311.023. STATUTE CONSTRUCTION AIDS. In construing a  
25 statute, whether or not the statute is considered ambiguous on its  
26 face, a court may consider among other matters the:

27 (1) object sought to be attained;

28 (2) circumstances under which the statute was enacted;

29 (3) legislative history;

30 (4) common law or former statutory provisions,  
31 including laws on the same or similar subjects;

32 (5) consequences of a particular construction;

33 (6) administrative construction of the statute; and

34 (7) title (caption), preamble, and emergency

1 provision.

2           Sec. 311.024. HEADINGS. The heading of a title, subtitle,  
3 chapter, subchapter, or section does not limit or expand the  
4 meaning of a statute.

5           Sec. 311.025. IRRECONCILABLE STATUTES AND AMENDMENTS. (a)  
6 Except as provided by Section 311.031(d), if statutes enacted at  
7 the same or different sessions of the legislature are  
8 irreconcilable, the statute latest in date of enactment prevails.

9           (b) Except as provided by Section 311.031(d), if amendments  
10 to the same statute are enacted at the same session of the  
11 legislature, one amendment without reference to another, the  
12 amendments shall be harmonized, if possible, so that effect may be  
13 given to each. If the amendments are irreconcilable, the latest in  
14 date of enactment prevails.

15           (c) In determining whether amendments are irreconcilable,  
16 text that is reenacted because of the requirement of Article III,  
17 Section 36, of the Texas Constitution is not considered to be  
18 irreconcilable with additions or omissions in the same text made by  
19 another amendment. Unless clearly indicated to the contrary, an  
20 amendment that reenacts text in compliance with that constitutional  
21 requirement does not indicate legislative intent that the reenacted  
22 text prevail over changes in the same text made by another  
23 amendment, regardless of the relative dates of enactment.

24           (d) In this section, the date of enactment is the date on  
25 which the last legislative vote is taken on the bill enacting the  
26 statute.

27           (e) If the journals or other legislative records fail to  
28 disclose which of two or more bills in conflict is latest in date of  
29 enactment, the date of enactment of the respective bills is  
30 considered to be, in order of priority:

31                   (1) the date on which the last presiding officer  
32 signed the bill;

33                   (2) the date on which the governor signed the bill; or

34                   (3) the date on which the bill became law by operation

1 of law.

2           Sec. 311.026. SPECIAL OR LOCAL PROVISION PREVAILS OVER  
3 GENERAL. (a) If a general provision conflicts with a special or  
4 local provision, the provisions shall be construed, if possible, so  
5 that effect is given to both.

6           (b) If the conflict between the general provision and the  
7 special or local provision is irreconcilable, the special or local  
8 provision prevails as an exception to the general provision, unless  
9 the general provision is the later enactment and the manifest  
10 intent is that the general provision prevail.

11           Sec. 311.027. STATUTORY REFERENCES. Unless expressly  
12 provided otherwise, a reference to any portion of a statute or rule  
13 applies to all reenactments, revisions, or amendments of the  
14 statute or rule.

15           Sec. 311.028. UNIFORM CONSTRUCTION OF UNIFORM ACTS. A  
16 uniform act included in a code shall be construed to effect its  
17 general purpose to make uniform the law of those states that enact  
18 it.

19           Sec. 311.029. ENROLLED BILL CONTROLS. If the language of  
20 the enrolled bill version of a statute conflicts with the language  
21 of any subsequent printing or reprinting of the statute, the  
22 language of the enrolled bill version controls.

23           Sec. 311.030. REPEAL OF REPEALING STATUTE. The repeal of a  
24 repealing statute does not revive the statute originally repealed  
25 nor impair the effect of any saving provision in it.

26           Sec. 311.031. SAVING PROVISIONS. (a) Except as provided  
27 by Subsection (b), the reenactment, revision, amendment, or repeal  
28 of a statute does not affect:

29                 (1) the prior operation of the statute or any prior  
30 action taken under it;

31                 (2) any validation, cure, right, privilege,  
32 obligation, or liability previously acquired, accrued, accorded,  
33 or incurred under it;

34                 (3) any violation of the statute or any penalty,

1 forfeiture, or punishment incurred under the statute before its  
2 amendment or repeal; or

3 (4) any investigation, proceeding, or remedy  
4 concerning any privilege, obligation, liability, penalty,  
5 forfeiture, or punishment; and the investigation, proceeding, or  
6 remedy may be instituted, continued, or enforced, and the penalty,  
7 forfeiture, or punishment imposed, as if the statute had not been  
8 repealed or amended.

9 (b) If the penalty, forfeiture, or punishment for any  
10 offense is reduced by a reenactment, revision, or amendment of a  
11 statute, the penalty, forfeiture, or punishment, if not already  
12 imposed, shall be imposed according to the statute as amended.

13 (c) The repeal of a statute by a code does not affect an  
14 amendment, revision, or reenactment of the statute by the same  
15 legislature that enacted the code. The amendment, revision, or  
16 reenactment is preserved and given effect as part of the code  
17 provision that revised the statute so amended, revised, or  
18 reenacted.

19 (d) If any provision of a code conflicts with a statute  
20 enacted by the same legislature that enacted the code, the statute  
21 controls.

22 Sec. 311.032. SEVERABILITY OF STATUTES. (a) If any  
23 statute contains a provision for severability, that provision  
24 prevails in interpreting that statute.

25 (b) If any statute contains a provision for  
26 nonseverability, that provision prevails in interpreting that  
27 statute.

28 (c) In a statute that does not contain a provision for  
29 severability or nonseverability, if any provision of the statute or  
30 its application to any person or circumstance is held invalid, the  
31 invalidity does not affect other provisions or applications of the  
32 statute that can be given effect without the invalid provision or  
33 application, and to this end the provisions of the statute are  
34 severable.

1           Sec. 311.034. WAIVER OF SOVEREIGN IMMUNITY. In order to  
2 preserve the legislature's interest in managing state fiscal  
3 matters through the appropriations process, a statute shall not be  
4 construed as a waiver of sovereign immunity unless the waiver is  
5 effected by clear and unambiguous language. In a statute, the use  
6 of "person," as defined by Section 311.005 to include governmental  
7 entities, does not indicate legislative intent to waive sovereign  
8 immunity unless the context of the statute indicates no other  
9 reasonable construction. Statutory prerequisites to a suit,  
10 including the provision of notice, are jurisdictional requirements  
11 in all suits against a governmental entity.

APPENDIX C

DISPOSITION TABLE

SPECIAL DISTRICT LOCAL LAWS CODE

LOCAL GOV. CODE	CODE SECTION
Ch. 396	
Sec. 396.061(1)	3503.001
(2)	3503.001
(3)	RN 3503.001
(4)	3503.251
(5)	3503.001
Sec. 396.062(a)	RN 3503.002
(part)	3503.004
(part)	3503.005
(b)	3503.002
(c)	3503.002
(d)	3503.009
(e) (part)	3503.202
(part)	3503.204
(f)	3503.008
Sec. 396.0621	3503.004
Sec. 396.0622	3503.005
Sec. 396.063(a)	3503.051
(part)	3503.052
(b)	3503.052
(c) (part)	3503.053
(part)	3503.054
(d)	3503.053
(e)	3503.053
(f)	3503.055
(g)	3503.059
(h)	3503.107
(i)	3503.056
(j)	3503.057
(k) (part)	3503.058
(part)	RN 3503.058
(part)	3503.060
Sec. 396.064	3503.003
Sec. 396.0641	3503.003
Sec. 396.065(a)	3503.101
(b) (part)	3503.007
(part)	RN 3503.007
(part)	RN 3503.009
Sec. 396.066	3503.154
Sec. 396.067(a)	3503.251
(b)	3503.252
Sec. 396.068(a)	RN 3503.252
(b)	3503.153
Sec. 396.069	3503.102
Sec. 396.070	3503.103
Sec. 396.071	3503.104
Sec. 396.072	3503.104
Sec. 396.073	3503.105
Sec. 396.074	3503.106
Sec. 396.075(a)	3503.151
(b)	3503.151
(c)	3503.152
(d)	3503.152
Sec. 396.076(a)	3503.201
(b)	3503.202
(c)	3503.203
(d)	3503.204
Sec. 396.077(a)	3503.101
(b)	RN 3503.009
(c)	3503.006

1	VACS ART.		
2	8280-189		
3	Sec. 1A(a)	. . . . .	RN 9005.103
4		(b) . . . . .	RN 9005.103
5		(c) . . . . .	RN 9005.103
6	Sec. 2	(part) . . . . .	9005.051
7		(part) . . . . .	9005.052
8		(part) . . . . .	9005.102
9		(part) . . . . .	9005.103
10	Sec. 3	(part) . . . . .	9005.002
11		(part) . . . . .	9005.101
12		(part) . . . . .	RN 9005.103
13	Sec. 4	. . . . .	RN 9005.103
14	Sec. 4A	(part) . . . . .	9005.004
15		(part) . . . . .	RN 9005.004
16	Sec. 4B	. . . . .	RN 9005.103
17	Sec. 4C	. . . . .	9005.053
18	Sec. 5	. . . . .	RN 9005.103
19	Sec. 6	. . . . .	RN 9005.103
20	8280-234		
21	Sec. 1	(part) . . . . .	9006.002
22		(part) . . . . .	RN 9006.002
23		(part) . . . . .	9006.004
24	Sec. 2	(part) . . . . .	9006.003
25		(part) . . . . .	9006.004
26	Sec. 3	. . . . .	RN 9006.101
27	Sec. 4	(part) . . . . .	9006.101
28		(part) . . . . .	9006.103
29		(part) . . . . .	9006.104
30	Sec. 5	. . . . .	RN 9006.207
31	Sec. 6	(part) . . . . .	9006.003
32		(part) . . . . .	9006.201
33		(part) . . . . .	9006.203
34		(part) . . . . .	9006.205
35		(part) . . . . .	9006.206
36		(part) . . . . .	RN 9006.207
37	Sec. 7	. . . . .	9006.202
38	Sec. 8	. . . . .	9006.204
39	Sec. 9	. . . . .	RN 9006.201
40	Sec. 10	. . . . .	RN 9006.201
41	Sec. 11	. . . . .	9006.005
42	Sec. 11a	. . . . .	9006.102
43	Sec. 12	(part) . . . . .	9006.051
44		(part) . . . . .	9006.052
45		(part) . . . . .	RN 9006.052
46	Sec. 13	. . . . .	9006.207
47	Sec. 14	. . . . .	RN 9006.207
48	8280-286		
49	Sec. 1	(part) . . . . .	9004.001
50		(part) . . . . .	9004.002
51	Sec. 2	(part) . . . . .	9004.051
52		(part) . . . . .	RN 9004.051
53		(part) . . . . .	9004.053
54		(part) . . . . .	9004.054
55		(part) . . . . .	RN 9004.054
56		(part) . . . . .	RN 9004.055
57	Sec. 2A	. . . . .	9004.055
58	Sec. 3	. . . . .	RN 9004.055
59	Sec. 4	. . . . .	9004.004
60	Sec. 5	. . . . .	RN 9004.055
61	Sec. 6	(part) . . . . .	9004.002
62		(part) . . . . .	9004.003
63		(part) . . . . .	9004.052
64	Sec. 7	. . . . .	9004.003
65	Sec. 8	. . . . .	RN 9004.055
66	8280-296		
67	Sec. 1	(part) . . . . .	9302.001
68		(part) . . . . .	9302.002
69		(part) . . . . .	9302.003

1	(part)	. . . . .	9302.006
2	Sec. 2(a) (part)	. . . . .	9302.051
3	(part)	. . . . .	RN 9302.051
4	(part)	. . . . .	9302.052
5	(part)	. . . . .	RN 9302.052
6	(part)	. . . . .	9302.057
7	(b) . . . . .	. . . . .	RN 9302.061
8	(c) (part)	. . . . .	9302.053
9	(part)	. . . . .	RN 9302.053
10	(d) . . . . .	. . . . .	9302.054
11	(e) . . . . .	. . . . .	RN 9302.061
12	(f) (part)	. . . . .	9302.058
13	(part)	. . . . .	RN 9302.058
14	(g) (part)	. . . . .	9302.055
15	(part)	. . . . .	RN 9302.055
16	(part)	. . . . .	9302.056
17	(part)	. . . . .	9302.059
18	(part)	. . . . .	RN 9302.061
19	(h) (part)	. . . . .	9302.060
20	(part)	. . . . .	RN 9302.060
21	(part)	. . . . .	9302.061
22	(part)	. . . . .	9302.153
23	(part)	. . . . .	RN 9302.154
24	Sec. 3 (part)	. . . . .	9302.002
25	(part)	. . . . .	9302.007
26	(part)	. . . . .	RN 9302.061
27	(part)	. . . . .	9302.101
28	(part)	. . . . .	9302.102
29	(part)	. . . . .	9302.103
30	(part)	. . . . .	9302.104
31	(part)	. . . . .	9302.105
32	(part)	. . . . .	9302.106
33	(part)	. . . . .	9302.107
34	(part)	. . . . .	9302.108
35	(part)	. . . . .	9302.109
36	(part)	. . . . .	9302.110
37	(part)	. . . . .	9302.113
38	(part)	. . . . .	9302.114
39	(part)	. . . . .	9302.115
40	(part)	. . . . .	RN 9302.117
41	Sec. 3(a) (part)	. . . . .	9302.111
42	(part)	. . . . .	RN 9302.111
43	(part)	. . . . .	9302.151
44	Sec. 4 . . . . .	. . . . .	9302.116
45	Sec. 5(a) . . . . .	. . . . .	RN 9302.214
46	(b) (part)	. . . . .	9302.151
47	(part)	. . . . .	9302.201
48	(c) (part)	. . . . .	9302.202
49	(part)	. . . . .	9302.204
50	(part)	. . . . .	RN 9302.204
51	(part)	. . . . .	9302.205
52	(part)	. . . . .	RN 9302.214
53	(d) . . . . .	. . . . .	RN 9302.214
54	(e) . . . . .	. . . . .	9302.206
55	(f) . . . . .	. . . . .	RN 9302.214
56	(g) . . . . .	. . . . .	9302.209
57	(h) . . . . .	. . . . .	9302.210
58	(i) . . . . .	. . . . .	9302.211
59	(j) (part)	. . . . .	9302.212
60	(part)	. . . . .	RN 9302.212
61	Sec. 6 . . . . .	. . . . .	9302.203
62	Sec. 7 (part)	. . . . .	9302.207
63	(part)	. . . . .	9302.208
64	Sec. 8 . . . . .	. . . . .	RN 9302.214
65	Sec. 9 (part)	. . . . .	9302.213
66	(part)	. . . . .	RN 9302.213
67	Sec. 10 . . . . .	. . . . .	RN 9302.214
68	Sec. 11 . . . . .	. . . . .	RN 9302.214
69	Sec. 12 . . . . .	. . . . .	9302.152



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2	(part)	. . . . .	9302.154
3	(part)	. . . . .	9302.214
4	Sec. 14	. . . . .	9302.117
5	Sec. 15 (part)	. . . . .	9302.102
6	(part)	. . . . .	9302.112
7	Sec. 16	. . . . .	RN 9302.214
8	Sec. 17 (part)	. . . . .	9302.003
9	(part)	. . . . .	RN 9302.003
10	(part)	. . . . .	9302.004
11	Sec. 18 (part)	. . . . .	9302.005
12	(part)	. . . . .	RN 9302.005
13	8280-438		
14	Sec. 1 (part)	. . . . .	8106.001
15	(part)	. . . . .	8106.002
16	(part)	. . . . .	8106.003
17	Sec. 3	. . . . .	8106.004
18	Sec. 4	. . . . .	8106.003
19	Sec. 5 (part)	. . . . .	RN 8106.005
20	(part)	. . . . .	8106.101
21	(part)	. . . . .	RN 8106.101
22	(part)	. . . . .	8106.102
23	(part)	. . . . .	8106.105
24	Sec. 6	. . . . .	8106.005
25	Sec. 7	. . . . .	RN 8106.155
26	Sec. 8	. . . . .	8106.151
27	Sec. 9	. . . . .	RN 8106.155
28	Sec. 10 (part)	. . . . .	8106.051
29	(part)	. . . . .	8106.052
30	(part)	. . . . .	RN 8106.052
31	(part)	. . . . .	8106.053
32	(part)	. . . . .	8106.055
33	(part)	. . . . .	RN 8106.055
34	(part)	. . . . .	RN 8106.155
35	Sec. 11	. . . . .	RN 8106.155
36	Sec. 12	. . . . .	RN 8106.155
37	Sec. 13 (part)	. . . . .	8106.103
38	(part)	. . . . .	8106.104
39	Sec. 14 (part)	. . . . .	8106.152
40	(part)	. . . . .	8106.153
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42	(part)	. . . . .	8106.155
43	(part)	. . . . .	RN 8106.155
44	Sec. 15	. . . . .	8106.054
45	Sec. 16	. . . . .	8106.107
46	Sec. 17	. . . . .	RN 8106.155
47	Sec. 18	. . . . .	RN 8106.155
48	Sec. 19	. . . . .	8106.106
49	Sec. 20	. . . . .	RN 8106.155
50	Sec. 21	. . . . .	RN 8106.155
51	Sec. 22	. . . . .	RN 8106.005
52	Sec. 23	. . . . .	RN 8106.155
53	Sec. 24 (part)	. . . . .	8106.003
54	(part)	. . . . .	8106.154
55	Sec. 25	. . . . .	RN 8106.155
56	SESSION LAW		
57	41st Leg., 4th C.S., Ch. 26, S.L.		
58	Sec. 1 (part)	. . . . .	7501.002
59	(part)	. . . . .	7501.003
60	(part)	. . . . .	7501.005
61	(part)	. . . . .	7501.051
62	Sec. 2	. . . . .	RN 7501.051
63	Sec. 3	. . . . .	RN 7501.051
64	Sec. 4	. . . . .	RN 7501.051
65	Sec. 5	. . . . .	RN 7501.051
66	Sec. 6	. . . . .	RN 7501.051
67	Sec. 7	. . . . .	RN 7501.051
68	Sec. 8	. . . . .	RN 7501.051
69	Sec. 9	. . . . .	RN 7501.051

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2	(part)	7501.003
3	(part)	7501.051
4	(part)	RN 7501.051
5	Sec. 11	RN 7501.051
6	Sec. 12 (part)	7501.003
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8	55th Leg., R.S., Ch. 66	
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10	Sec. 3	5201.004
11	Sec. 4 (part)	5201.051
12	(part)	RN 5201.051
13	(part)	5201.054
14	Sec. 5 (part)	5201.005
15	(part)	5201.006
16	(part)	RN 5201.006
17	(part)	5201.051
18	(part)	5201.052
19	(part)	5201.053
20	(part)	5201.054
21	Sec. 6 (part)	5201.003
22	(part)	5201.054
23	(part)	RN 5201.054
24	(part)	5201.055
25	(part)	5201.056
26	(part)	RN 5201.056
27	Sec. 7 (part)	5201.056
28	(part)	RN 5201.056
29	Sec. 8	RN 5201.056
30	Sec. 9	5201.101
31	Sec. 10	5201.003
32	Sec. 11	RN 5201.101
33	55th Leg., R.S., Ch. 136	
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35	(part)	1001.003
36	(part)	1001.004
37	(part)	1001.104
38	(part)	RN 1001.104
39	Sec. 2 a	1001.401
40	b (part)	1001.303
41	(part)	1001.401
42	(part)	1001.404
43	(part)	1001.405
44	c	RN 1001.401
45	Sec. 3 a (part)	1001.351
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47	(part)	1001.353
48	(part)	1001.354
49	(part)	RN 1001.354
50	(part)	1001.360
51	(part)	RN 1001.361
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53	d	RN 1001.361
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59	(e)	1001.356
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62	(g) (part)	1001.301
63	(part)	1001.359
64	(part)	1001.401
65	(part)	1001.402
66	(part)	RN 1001.402
67	(h)	RN 1001.361
68	(i)	RN 1001.361
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1		(k)	.....	RN	1001.361
2	Sec. 3B	(a)	.....		1001.201
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4		(c)	(part)	.....	1001.203
5			(part)	.....	1001.204
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7		(e)	(part)	.....	1001.251
8			(part)	.....	1001.252
9			(part)	.....	1001.253
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11		(f)	.....		1001.201
12			(part)	.....	1001.251
13		g	.....		1001.206
14	Sec. 4		.....	RN	1001.104
15	Sec. 5	a	(part)	.....	1001.051
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18			(part)	.....	1001.054
19			(part)	.....	1001.103
20			(part)	.....	1001.105
21			(part)	.....	1001.115
22		b	(part)	.....	1001.056
23			(part)	.....	1001.057
24		c	.....		1001.060
25		d	(part)	.....	1001.063
26			(part)	.....	1001.111
27		e	(part)	.....	1001.053
28			(part)	.....	1001.055
29			(part)	.....	1001.065
30			(part)	RN	1001.065
31		f	.....		1001.064
32		g	.....		1001.107
33		h	.....		1001.062
34		i	.....		1001.061
35	Sec. 5a		.....		1001.062
36	Sec. 6		.....		1001.106
37	Sec. 7		.....		1001.058
38	Sec. 8	(part)	.....		1001.301
39		(part)	.....		1001.302
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44	Sec. 12		.....		1001.059
45	Sec. 13	(part)	.....		1001.101
46		(part)	.....		1001.102
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48	Sec. 13A		.....		1001.107
49	Sec. 14	a	.....		1001.113
50		b	.....	RN	1001.114
51	Sec. 15		.....		1001.110
52	Sec. 16	(part)	.....		1001.103
53		(part)	.....		1001.403
54	Sec. 17		.....		1001.114
55	Sec. 18		.....		1001.112
56	Sec. 19	a	.....		1001.151
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58		c	.....		1001.153
59		d	(part)	.....	1001.154
60			(part)	.....	1001.156
61		e	.....		1001.157
62		f	.....		1001.154
63		g	.....		1001.154
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65		i	.....		1001.154
66		j	.....		1001.154
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3	Sec. C . . . . .	RN	1001.004
4	56th Leg., R.S., Ch. 108		
5	Sec. 2 . . . . .	RN	7501.051
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11	Sec. 2 . . . . .	RN	7501.051
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13	Sec. 1 (part) . . . . .		7501.002
14	Sec. 2 . . . . .	RN	7501.051
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18	(part) . . . . .		1006.004
19	(part) . . . . .	RN	1006.006
20	Sec. 2 (part) . . . . .	RN	1006.006
21	(part) . . . . .		1006.101
22	(part) . . . . .		1006.104
23	Sec. 3 . . . . .	RN	1006.006
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27	(part) . . . . .		1006.052
28	(part) . . . . .		1006.053
29	(part) . . . . .		1006.054
30	(part) . . . . .		1006.055
31	(part) . . . . .		1006.056
32	(part) . . . . .		1006.057
33	(part) . . . . .		1006.058
34	(part) . . . . .	RN	1006.058
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36	(part) . . . . .	RN	1006.251
37	(part) . . . . .		1006.252
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40	(part) . . . . .		1006.061
41	(part) . . . . .		1006.062
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45	(part) . . . . .		1006.111
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47	(part) . . . . .		1006.152
48	(part) . . . . .		1006.153
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53	(part) . . . . .	RN	1006.203
54	(part) . . . . .		1006.204
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56	(part) . . . . .	RN	1006.205
57	(part) . . . . .	RN	1006.206
58	Sec. 7A . . . . .		1006.156
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60	(part) . . . . .		1006.206
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62	(part) . . . . .		1006.106
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51	Sec. 5.10	. . . . .		1004.110
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59	(e)	. . . . .	8802.107
60	(f)(1) (part)	. . . . .	8802.051
61	(part)	. . . . .	RN 8802.051
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65	Sec. 5	. . . . .	RN 8802.202
66	Sec. 6	. . . . .	8802.202
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22	(C)	3818.007
23	Sec. 5A(A)	3818.151
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25	(C) (part)	3818.153
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