

## **BILL ANALYSIS**

Senate Research Center  
81R10269 GCB-D

S.B. 1615  
By: Wentworth  
Transportation & Homeland Security  
4/5/2009  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Air transportation is important for commerce, medical interests, and general accessibility, although owning and operating an airport may be too much of a burden for a single government entity to manage. Airport authorities would allow government entities to merge their resources and build and operate new airports or to acquire and operate existing airports that may have become too much of a burden or liability for the current owner. However, with the exception of the Dallas-Forth Worth Airport, current law does not provide for the state and political subdivisions to form airport authorities for these purposes.

As proposed, S.B. 1615 creates a new chapter in the Transportation Code that authorizes the creation of airport authorities by the state, counties, and municipalities to acquire and improve airports and heliports and to provide for the financing of such facilities. This bill does not require the formation of any airport authority by any governmental entity and provides that a governmental entity joins or forms an airport authority under the entity's own judgment regarding the best interest of the applicable jurisdiction.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to an airport authority organized as a public corporation under Chapter 27, Transportation Code, in SECTION 2 (Section 27.151, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. LEGISLATIVE DECLARATION; PURPOSE. (a) Provides that the economic well-being of the state and the general welfare of its residents require adequate, safe, secure, and efficient aviation facilities at a reasonable cost.

(b) Sets forth the purpose of this Act.

SECTION 2. AIRPORT AUTHORITIES. Amends Title 3, Transportation Code, by adding Chapter 27, as follows:

#### **CHAPTER 27. AIRPORT AUTHORITIES**

##### **SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 27.001. DEFINITIONS. Defines "aircraft," "air navigation facility," "airport," "airport facility," "authority," "board," and "indenture."

Sec. 27.002. ASSISTANCE BY STATE OR LOCAL ENTITIES. (a) Authorizes a county, municipality, or other political subdivision of the state, including a public corporation, to, with or without consideration, lend or donate money to a public corporation organized under this chapter (authority); provide that all or part of the taxes or funds available to the subdivision or required by law to be used by the subdivision for airport purposes are required to be transferred or paid directly to an authority; cause water, sewer, or drainage facilities or any other facilities that the subdivision is empowered to provide to be furnished adjacent to or in connection with an airport or air navigation facility; donate, sell, convey, transfer, or lease to an authority any land, property, franchise, grant, easement, license, or lease that the subdivision owns; donate,

sell, convey, or lease an airport, airport property, or any interest in an airport or airport property owned by the subdivision to an authority; donate, transfer, assign, sell, or convey to an authority any right, title, or interest that the subdivision has in a lease, contract, agreement, license, or property; furnish, dedicate, close, pave, repair, install, grade, regrade, plan, or replan streets, roads, roadways, and walks from established streets or roads to an airport or air navigation facility or abutting or adjacent to an airport or air navigation facility; take any other action that is necessary or convenient to aid and cooperate with an authority in the planning, undertaking, construction, or operation of an airport or air navigation facility; and furnish, at the request of an authority, fire and air crash equipment and personnel to properly operate the equipment at an airport or aircraft landing area owned, operated, or under the jurisdiction of an authority or train authority personnel in fire, crash, and rescue.

(b) Provides that all transfers of land, licenses, easements, or other property under this section are subject to the continuing right of a utility to maintain existing facilities in those locations and to be reimbursed for any required relocation, removal, or adjustment of those facilities.

Sec. 27.003. NATURE OF AUTHORITY. Provides that an airport authority created under this chapter is an airport authority under Section 12 (Airport Authorities), Article IX (Counties), Texas Constitution.

[Reserves Sections 27.004-27.050 for expansion.]

#### SUBCHAPTER B. CREATION AND EXPANSION

Sec. 27.051. INCORPORATION. (a) Authorizes an authority to be organized as a public corporation under this chapter.

(b) Requires at least three natural persons to file with the governing body of one or more counties or municipalities an application in writing for permission to incorporate a public corporation under this chapter and to attach to the application a proposed form of articles of incorporation for the corporation.

(c) Provides that the applicants under Subsection (b), if each governing body with which the application is filed adopts a resolution approving the formation of a public corporation, become the incorporators of and are required to incorporate the authority as a public corporation under this chapter using the form of the articles approved.

Sec. 27.052. ADDITIONAL COUNTIES OR MUNICIPALITIES. Authorizes an additional county or municipality to become part of an authority if each additional county or municipality and each county or municipality in the authority adopts a resolution consenting to the inclusion of the additional county or municipality in the authority.

Sec. 27.053. INCLUSION IN AUTHORITY. Requires that on the inclusion of a county or municipality in an authority, either initially or as an additional member, all rights, contracts, obligations, and property, both real and personal, of a municipality or county used for or in relation to transportation by air vest in the authority created under this subchapter unless otherwise specified by the resolution including the municipality or county in the authority.

Sec. 27.054. STATE JOINING AIRPORT AUTHORITY. Authorizes the governor, on behalf of the state, to authorize the state to join in the creation of an authority under this subchapter or to join an existing authority created under this subchapter.

Sec. 27.055. CONTENTS OF CERTIFICATE OF INCORPORATION. Sets forth required information to be stated in the certificate of incorporation of an authority.

Sec. 27.056. INCORPORATION; EXECUTION AND FILING OF ARTICLES. (a) Requires that the articles of incorporation of an authority be signed and acknowledged by

the incorporators and have attached a certified copy of each of the resolutions described by Section 27.051.

(b) Requires an authority to file its articles of incorporation with the documents required to be attached under Subsection (a), with the secretary of state (SOS).

(c) Requires the authority referred to in the certificate, when a certificate of incorporation is issued by SOS after the filing of the articles and attached documents, to come into existence, constitute a public corporation under the name listed in the certificate, and have all the rights and powers given to an authority under this chapter.

(d) Requires that the articles include the number and terms of board members. Prohibits a term from exceeding two years.

[Reserves Sections 27.057-27.100 for expansion.]

#### SUBCHAPTER C. BOARD OF DIRECTORS; ADMINISTRATION

Sec. 27.101. COMPOSITION OF BOARD OF DIRECTORS. (a) Provides that the governing body of an authority (board) is a board with at least five but not more than nine members appointed in a certain manner.

(b) Requires each member appointed by a governing body of an authorizing governmental entity to reside in the territorial jurisdiction of the authorizing governmental entity. Requires the additional member elected under Subsection (a)(3)(C) (relating to requiring one additional member to be elected by the governing bodies of each authorizing governmental entity and the commissioners court of the county in which the principal office of the authority is located) to reside in any county whose commissioners court elects the member.

(c) Authorizes each authorizing governmental entity, other than the additional member elected under Subsection (a)(3)(C), to appoint the same number of members as any other authorizing governmental entity.

(d) Entitles the state, if the state joins in the creation of an airport authority under this chapter or joins an existing airport authority created under this chapter, to the number of board members agreed on by the authorizing governmental entities and the state, but entitles the state to at least one board member. Requires the governor to appoint each board member representing the state.

Sec. 27.102. VACANCY; REMOVAL. (a) Requires a successor to serve the unexpired portion of the board member's term, except as provided by Subsection (b), if a board member resigns, dies, or becomes incapable or ineligible to act as a board member, to be elected in the same manner provided by Section 27.101 as the board member whose unexpired term the successor is filling.

(b) Requires the governor, if a vacancy in the office of the additional member elected under Section 27.101(a)(3)(C) continues for more than 30 days, on the request of any governmental entity that elected the member, to appoint a successor.

(c) Authorizes a board member to be removed from office.

Sec. 27.103. ELIGIBILITY. Provide that an officer of the state, a county, or a municipality, is not eligible to serve as a board member.

Sec. 27.104. TERMS. (a) Provides that the term of office of a board member is as set out in the articles of incorporation of an authority.

(b) Provide that board members serve staggered terms so that the term of at least one member expires each year.

Sec. 27.105. QUORUM. (a) Provides that a majority of the board members, except as provided by Subsection (b), constitutes a quorum for the transaction of business.

(b) Authorizes a meeting of a board to be adjourned by a majority of the board members present or to be adjourned by a single board member if the member is the only board member present at the meeting.

(c) Provides that a vacancy on the board does not impair the right of a quorum to exercise all the powers and duties of an authority.

Sec. 27.106. MEETINGS. (a) Requires a board to hold regular monthly meetings and any other meeting as provided for in the bylaws of the authority.

(b) Authorizes the board to hold a special meeting at the call of the presiding officer of the authority or two board members.

(c) Authorizes any matter on which the board is authorized to act to be acted upon at a regular or special meeting.

(d) Requires that the vote on a question before a board, at the request of a board member, be taken by yeas and nays and entered on the record. Requires that all board proceedings be reduced to writing by the secretary of the authority and open to board members to the public at all times. Provides that copies of the proceedings, when certified by the secretary of an authority under its seal, are admissible in a court as evidence of the matters certified in the proceedings.

Sec. 27.107. COMPENSATION. Provides that a board member is not entitled to receive compensation but is entitled to reimbursement for actual and necessary expenses.

Sec. 27.108. OFFICERS. (a) Requires the board to elect from the board members presiding officer, an assistant presiding officer, a secretary, and any other officer the board considers necessary, for a term of one year.

(b) Provides that a treasurer or any other officer a board considers necessary is not required to be a board member. Authorizes the officer to be appointed by the board for a term determined by the board.

(c) Authorizes the offices of the secretary and treasurer to be held by the same person.

[Reserves Sections 27.109-27.150 for expansion.]

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 27.151. GENERAL POWERS. Authorizes an authority to:

(1) have succession by the authority's corporate name for the duration of time specified in the articles of incorporation;

(2) sue and be sued in the authority's own name in civil suits and actions, except actions in tort against the authority;

(3) adopt and make use of a corporate seal;

(4) adopt and alter bylaws for the regulation and conduct of the authority's affairs and business;

(5) acquire, receive, take, and hold, by purchase, gift, lease, devise, or other means, property, regardless of whether in one or more counties or within or outside the corporate limits of an authorizing governmental entity, and manage the property, including developing undeveloped property owned, leased, or controlled by the authority;

(6) execute a contract or other instrument;

(7) enter on land, water, and premises for the purposes of making surveys, soundings, and examinations;

(8) plan, establish, develop, acquire, construct, enlarge, improve, maintain, equip, operate, regulate, and protect an airport and air navigation facility, including the acquisition, construction, installation, equipment, maintenance, and operation at, in connection with, or in furtherance of the use at an airport of sanitary and storm sewage systems and water, electric, and gas systems, buildings, hangars, and other facilities for airlines, United States military aircraft, and general aviation aircraft or the comfort, use, and accommodation of air travelers and purchase and sale of supplies, goods, and commodities incident to the operation of an airport property;

(9) construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, repair, and operate a heliport, an aerial aircraft landing, loading, or storage area, and a transportation terminal;

(10) construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, and repair a building, structure, or facility that is suitable for use as a manufacturing plant, industrial plant, retail shopping area, park, or exhibit, or for the conduct of lawful business at, on, or adjacent to an airport or aircraft landing area owned or operated by the authority;

(11) lease a building, structure, or facility described in Subdivision (10) to a tenant under terms approved by the authority;

(12) for compensation, furnish or supply on an airport or aircraft landing area owned or operated by or under the jurisdiction of the authority, to persons and aircraft, goods, commodities, area facilities, and services convenient or useful to the owners, operators, and users of aircraft and to persons at the airport or aircraft landing area, including food, lodging, shelter, drinks, confections, reading matter, oil, gasoline, jet fuel, motors, engines, aircraft, aircraft parts and equipment, space in buildings, space for buildings and structures, and the services of mechanics and instructors;

(13) confer on any person, for compensation, the privilege or concession of supplying on an airport or aircraft landing area owned or operated by or under the jurisdiction of the authority, all of the items to be furnished or supplied under Subdivision (12);

(14) acquire, including by eminent domain, establish, construct, expand, own, control, equip, improve, maintain, operate, and regulate a satellite airport or landing field for the use of aircraft in the state;

(15) acquire, including by purchase, gift, devise, lease, or eminent domain proceedings, an existing airport and air navigation facility with the consent of the county, municipality, or other governmental entity of the state that owns or controls the airport and air navigation facility;

(16) issue interest-bearing bonds payable from the limited sources available under this chapter;

(17) pledge for payment of bonds any revenues and funds from which the bonds are made payable;

(18) enter into a contract, lease, or other agreement incidental to or necessary for the accomplishment of any purpose for which the authority was organized;

(19) exercise the power of eminent domain with respect to property, including airspace, air navigation easements, structures, obstructions to flight, and property already devoted to public use that reasonably may be necessary for the construction, extension, maintenance, operation, protection, enlargement, improvement, or preservation of an airport or airport facility or sanitary or storm sewage systems or water, electric, or gas systems on, adjacent to, or in connection with or for the furtherance of the use of an airport, aircraft landing area, or other property owned by or operated by the authority;

(20) appoint, employ, contract with, and compensate officers, employees, and agents, including engineers, security officers and guards, attorneys, consultants, fiscal advisers, and other employees the authority may require;

(21) fix, establish, collect, and alter landing fees, tolls, rents, and other charges for the use of an airport, landing area, building, structure, facility, or other property owned or controlled by the authority;

(22) adopt and enforce rules governing the use of an airport, landing area, or airport facility owned or controlled by the authority;

(23) provide for insurance, including use and occupancy insurance, as determined by the board;

(24) invest funds of the authority that the board determines are not presently needed for its corporate purposes in a direct general obligation of the United States; an obligation that is unconditionally guaranteed as to both principal and interest by the United States; or bonds of the state, a county, or a municipality;

(25) contract with the state, a county, a municipality, a public corporation, an agency, a department, or another political subdivision of this state if the board determines that the contract accomplishes the purposes for which the authority was established;

(26) sell and convey property that is obsolete, worn out, or no longer needed or useful;

(27) receive and accept for the construction, extension, improvement, maintenance, or operation of an airport or airport facility money, property, labor, or other thing of value from any source, including grants from the United States, the state, or any political subdivision of the state;

(28) purchase services, equipment, and supplies necessary or convenient for the exercise of any power of the authority;

(29) enter into a management agreement with a county or municipality for the management by the authority of an airport, air navigation facility, or other facility useful to the authority;

(30) require the relocation, removal, or other adjustment of public utility facilities to accommodate a project of the authority, only if the authority reimburses the public utility for the cost of the relocation, removal, or other adjustment, including the value of any easement or other associated property right; and

(31) take any other action necessary or convenient to carry out the purposes of this chapter or the exercise of a power granted under this chapter.

Sec. 27.1511. ACQUISITION OR OPERATION OF CERTAIN AIRPORTS. Prohibits an authority from acquiring or operating an airport located in the authority's jurisdiction that, as of the effective date of this Act that enacted this chapter, has total annual commercial airline enplanements of 300,000 passengers or more, as reported by the United States Department of Transportation.

Sec. 27.152. ZONING. (a) Exempts an authority from municipal or county zoning laws, ordinances, and regulations.

(b) Provides that an authority has the same zoning powers, for the zoning of an airport in an unincorporated area owned or operated by the authority and the zoning of the unincorporated area lying within two miles of the boundaries of the airport, as a municipality that owns or operates an airport.

Sec. 27.153. LIMITATION ON EMINENT DOMAIN POWER. Prohibits an authority from acquiring by eminent domain real property or rights owned or held by a railroad or utility or under the management and control of the governing body of an institution of higher education, as defined by Section 61.003 (Definitions), Education Code, including lands set aside and appropriated to or acquired by the permanent university fund as provided by Section 11 (Permanent University Fund; Investment; Alternative Sections of Railroad Grant), Article VII (Education), Texas Constitution.

Sec. 27.154. MUNICIPAL VOTE REQUIRED FOR MUNICIPAL AIRPORTS. (a) Requires a majority of the governing body of the municipality, before an authority is authorized to own, acquire, construct, or operate an airport or an airport facility within the corporate limits of a municipality, to vote in favor of the proposed airport or airport facility.

(b) Requires each constituent agency, if all the constituent agencies of a joint board created under Section 22.074 (Joint Board) are populous home-rule municipalities, before an authority is authorized to own or operate an existing airport operated by the joint board, to vote in favor of the authority's ownership or operation of the airport.

Sec. 27.155. PEACE OFFICERS. Authorizes the authority to employ security officers who have obtained a peace officer license issued by the Commission on Law Enforcement Officer Standards and Education.

[Reserves Sections 27.156-27.200 for expansion.]

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; TAX EXEMPTIONS

Sec. 27.201. TAX EXEMPTION; BONDS, PROPERTY, INCOME. (a) Exempts bonds issued by an authority and the income on the bonds from all state taxation.

(b) Exempts all property and income of an authority from all state, county, municipal, and other local taxation.

(c) Provides that Subsection (b) does not exempt concessionaires, licensees, tenants, operators, or lessees of an authority from the payment of any taxes, including licenses or privilege taxes imposed by the state, a county, or a municipality.

Sec. 27.202. TAX EXEMPTION; ACCESS TO AIRPORTS. Prohibits a county or municipality from requiring the payment of any tax or privilege license from a person for the reasonable use of public streets, roads, or highways leading to or from an airport or aircraft landing area owned or operated by or under the jurisdiction of an authority.

Sec. 27.203. FUNDING. (a) Authorizes an authority to accept, receive, disburse, and expend federal money, state money, and any other money made available by grant or loan to accomplish an authority purpose.

(b) Requires that federal money accepted under this section be accepted and expended by an authority on terms prescribed by the United States that are not inconsistent with the laws of this state.

Sec. 27.204. TAX IMPLICATIONS. Provides that this subchapter does not affect the taxability of any property that is taxable under the Tax Code on the effective date of the Act that enacted this chapter.

[Reserves Sections 27.205-27.250 for expansion.]

#### SUBCHAPTER F. BONDS

Sec. 27.251. GENERAL PROVISIONS. (a) Authorizes an authority to issue interest-bearing revenue bonds for any of the authority's corporate purposes.

(b) Provides that the principal of and the interest on bonds is payable solely from and may be secured by a pledge of the revenue derived by an authority from the operation of authority airports, facilities, and other property.

(c) Provides that bonds issued or contracts entered into by an authority under this chapter do not create debt of the state, a county, or a municipality and do not create a charge against the credit or taxing powers of the state, a county, or a municipality.

Sec. 27.252. BONDS ISSUED. (a) Requires that board proceedings determine how bonds are issued, including certain matters.

(b) Provides that a bond having a stated maturity date more than 10 years after its date of issue is subject to redemption at the option of an authority not later than the 10th anniversary of its date of issue and on any interest payment date after that time at a price, after notice, on terms, in the manner provided in the board proceeding that authorized the bond issuance.

(c) Authorizes bonds of an authority to be sold at public or private sale in the manner and from time to time as may be determined by the board.

(d) Authorizes an authority to pay all reasonable expenses, premiums, fees, and commissions that the board determines are necessary or advantageous in connection with the authorization, sale, and issuance of bonds.

(e) Requires that bonds contain a recital that the bonds are issued under this chapter.

(f) Provides that a public hearing is not required for the issuance of bonds by an authority.

(g) Provides that bonds issued under this chapter are negotiable instruments within the meaning of the negotiable instruments law of this state if the bonds otherwise possess all the characteristics of a negotiable instrument under the law of this state.

Sec. 27.253. NOTICE; CHALLENGES. (a) Authorizes an authority, on the adoption of a resolution providing for the issuance of bonds, to publish, once a week for two consecutive weeks, in a newspaper that is distributed in the county in which the principal office of the authority is located, notice in substantially a certain form at the end of which is required to be printed the name and title of either the presiding officer or secretary of the authority.

(b) Requires that an action or proceeding in a court to set aside or question the proceedings for the issuance of bonds referred to in a notice under Subsection (a)

or to contest the validity of the bonds or the validity of the pledge and any instruments made to secure the bonds be commenced before the 31st day after the date of first publication of the notice.

(c) Provides that after the 30-day period described under Subsection (b) expires, a right of action or defense questioning or attacking the validity of the proceedings, bonds, pledge, or instruments may not be asserted and the validity of the proceedings, bonds, pledge, or instruments is not open to question in a court on any ground.

Sec. 27.254. EXECUTION AND DELIVERY. (a) Requires that bonds be signed by the presiding officer or assistant presiding officer and by the secretary or treasurer of an authority. Authorizes the signature of one of the officers whose signatures will appear on the bonds to be imprinted or otherwise reproduced.

(b) Requires that the seal of an authority be affixed onto the bonds or a facsimile of the seal of an authority be imprinted or otherwise reproduced on the bonds.

(c) Requires that coupons be signed by the presiding officer or assistant presiding officer and by the secretary or treasurer of an authority. Authorizes the signature of the secretary or treasurer to be imprinted or otherwise reproduced.

(d) Provides that delivery of bonds executed as provided under this section is valid regardless of any changes in officers or in the authority seal after the signing and sealing of the bonds.

Sec. 27.255. SECURITY. (a) Authorizes bonds, at the discretion of an authority, to be issued under and secured by an indenture between the authority and a trustee. Authorizes a trustee to be a private person or corporation, including a trust company or bank having trust powers.

(b) Authorizes the authority, in an indenture or resolution providing for the issuance of bonds, to pledge, for payment of the principal of and the interest on bonds, authority revenue; assign, as security for payment, a lease, franchise, permit, or contract; and mortgage a property.

(c) Provides that a pledge of revenue is valid from the time it is made. Provides that pledged revenue received after the pledge by an authority immediately becomes subject to the lien of the pledge without physical delivery or further act. Provide that the lien of the pledge is binding against a party having a claim of any kind against the authority, regardless of whether the party has actual notice of the lien, from the time a statement is filed in the office of the county clerk of the county in which the principal office of the authority is located or a county in which any part of the property, the revenue from which is pledged, is located.

(d) Requires that a statement under Subsection (c) contain the date on which a resolution authorizing the issuance of bonds was adopted by a board, the principal amount of bonds issued, a brief description of the revenue pledged, and a brief description of property the revenue from which is pledged.

(e) Authorizes an authority, in an indenture or resolution pledging revenue from an airport, building, or facility, to include provisions customarily contained in instruments securing evidence of indebtedness, including certain provisions.

(f) Provides that a holder of the bonds or any of the coupons, or the trustee under an indenture if authorized in the indenture, if an authority defaults in payment of the principal of or interest on the bonds or in an agreement included in an indenture securing the bonds, is authorized to enforce payment of the principal or interest by civil action, mandamus, or other proceeding; is authorized to compel performance of a duty of the board and officers of the authority; and is entitled as a matter of right and regardless of the sufficiency of the security to the

appointment of a receiver with all the powers of a receiver for the operation and maintenance of the property of the authority covered by the indenture and collection, segregation, and application of the revenue from property of the authority covered by the indenture.

Sec. 27.256. PROCEEDS. (a) Authorizes that proceeds derived from the sales of bonds be used only to pay the cost of acquiring, constructing, improving, enlarging, and equipping an airport, facility, or other property as specified in the proceedings in which the bonds are authorized to be issued.

(b) Sets forth certain eligible costs under Subsection (a).

(c) Requires that the proceeds, if any proceeds derived from the sale of bonds remain undisbursed after completion of the work described under Subsection (a) and payment of costs under Subsection (b), be used for retirement of the principal of the bonds of the same issue.

Sec. 27.257. REFUNDING BONDS. (a) Authorizes an authority at any time to issue refunding bonds for the purpose of refunding the principal of and interest on outstanding bonds of the authority regardless of whether the principal and interest have matured at the time of the refunding and paying the expenses incurred in connection with the refunding and any premium necessary to be paid to redeem, retire, or purchase for retirement the bonds to be refunded.

(b) Authorizes proceeds derived from the sale of refunding bonds to be used only for the purposes for which the refunding bonds were authorized to be issued.

(c) Authorizes refunding to be effected by sale of the refunding bonds and the application of the proceeds or by exchange of the refunding bonds for the bonds or interest coupons to be refunded, except that the holders of the bonds or coupons to be refunded and are prohibited from being compelled without their consent to surrender their bonds or coupons for payment or exchange before the date on which the bonds or coupons may be paid or redeemed by call of the authority under the respective provisions of the bonds or coupons.

(d) Provides that if an authority issues bonds for the purpose of refunding the principal of and interest on any of its bonds or for any other purpose for which it is authorized to issue bonds, this section applies only to the portion of the combined issue authorized for refunding purposes and the rest of this subchapter applies to the remaining portion of the combined issue.

Sec. 27.258. LOCAL GOVERNMENT INVESTMENT. Authorizes a governing body of a county or municipality to invest idle or surplus money held in its treasury in authority bonds.

Sec. 27.259. LEGAL INVESTMENTS. (a) Provides that bonds issued under this subchapter are legal investments for executors, administrators, trustees, and other fiduciaries, unless otherwise directed by the court having jurisdiction of the fiduciary relation or by the document that is the source of the fiduciary's authority.

(b) Provides that bonds issued under this subchapter are legal investments for savings banks and insurance companies organized under the laws of this state.

[Reserves Sections 27.260-27.300 for expansion.]

#### SUBCHAPTER G. WITHDRAWAL OR DISSOLUTION

Sec. 27.301. WITHDRAWAL FROM AUTHORITY. (a) Authorizes the state, a county, or a municipality in an authority, after the organization of an airport authority by more than one governmental entity, to withdraw from the authority by resolution of the

governor, the commissioners court of the county, or the governing body of the municipality.

(b) Prohibits a withdrawing entity from claiming or removing an asset of the authority.

Sec. 27.302. DISSOLUTION. (a) Authorizes an authority, if the authority does not have outstanding bonds, to be dissolved on the filing of articles of dissolution with SOS by each member of the authority.

(b) Provides that on issue of a certificate of dissolution by SOS, an authority dissolves. Provides that on dissolution, all rights, titles, and interests of the authority in property vest in the authorizing governmental entities as provided by the articles of incorporation or if not provided for in the articles of incorporation, vest in the authorizing governmental entities equally.

SECTION 3. Effective date: upon passage or September 1, 2009.