

By: Zaffirini

S.B. No. 234

A BILL TO BE ENTITLED

AN ACT

relating to the creation and operation of a park and recreation district in counties that share a border on the San Marcos River and to the authority of the district to collect fees; creating an offense and providing penalties.

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

SECTION 1. Subtitle B, Title 10, Local Government Code, is amended by adding Chapter 324A to read as follows:

CHAPTER 324A. PARK AND RECREATION DISTRICTS IN CERTAIN COUNTIES ON

THE SAN MARCOS RIVER

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 324A.001. ELIGIBLE COUNTIES AND TERRITORY. (a) Two counties that share a border on the San Marcos River may create a district as provided by this chapter in all or part of the counties to:

(1) improve, equip, maintain, finance, and operate a public park located in the district, including a park owned or leased by a county;

(2) conserve the natural resources in the district;
and

(3) improve the public health, safety, and welfare in the district.

(b) The territory of a district created under this chapter must include all of at least one county election precinct on each

side of the San Marcos River, except that the district territory must exclude all territory located in a state park.

(c) The territory of a district created under this chapter may not include territory outside of the creating counties, initially, but the district may annex territory outside the counties under Section 324A.121.

Sec. 324A.002. DEFINITIONS. (a) In this chapter:

(1) "Board" means the board of directors of a park and recreation district created under this chapter.

(2) "District" means a park and recreation district created under this chapter.

(3) "District facility" includes any facility, land, or improvement to land, whether permanent or temporary, that is owned, leased, or acquired by the district.

(4) "Eligible county" means a county described by Section 324A.001.

(5) "Fee" includes a toll or any other charge.

(b) A reference in this chapter to a county "in which the district is located" does not include a county in which the district was not located on the date the district was created.

SUBCHAPTER B. CREATION OF PARK AND RECREATION DISTRICT

Sec. 324A.021. CREATION ELECTIONS REQUIRED. A district may be created under this chapter only if:

(1) the commissioners court of each eligible county in which the proposed district will be located:

(A) receives a written petition for the creation of the district that:

1 (i) is signed by a number of the registered
2 voters who reside in the county equal to at least five percent of
3 the votes received in the county in the most recent gubernatorial
4 general election; and

5 (ii) includes an accurate description of
6 the territory to be included in the district by reference to county
7 election precinct boundaries, by metes and bounds, by lot and block
8 number if there is a recorded map or plat and survey of the area, or
9 by other sufficient legal description; or

10 (B) passes a motion favoring creation of the
11 district that includes an accurate description of the territory to
12 be included in the district by reference to county election
13 precinct boundaries, by metes and bounds, by lot and block number if
14 there is a recorded map or plat and survey of the area, or by other
15 sufficient legal description;

16 (2) the commissioners court of each county in which
17 the proposed district will be located approves the creation of the
18 district after a public hearing held to consider the creation of the
19 district; and

20 (3) the creation of the district is approved by the
21 voters as provided by Section 324A.024.

22 Sec. 324A.022. HEARING. (a) A commissioners court of an
23 eligible county that receives a petition or passes a motion under
24 Section 324A.021 shall hold a hearing on the creation of the
25 district.

26 (b) The commissioners court shall set a date for the hearing
27 that is after the 20th day but on or before the 40th day after the

1 date the petition is received or the passage of the motion, as
2 applicable, under Section 324A.021.

3 (c) The commissioners court shall publish in a newspaper of
4 general circulation in the county notice of the petition or motion
5 and the hearing date.

6 (d) The notice must be published at least once each week for
7 a period of two weeks before the hearing date.

8 (e) At the hearing, the commissioners court shall hear all
9 arguments for and against the creation of the district and shall
10 take evidence as in civil cases in the county court.

11 (f) The hearing may be adjourned from time to time on good
12 cause shown.

13 Sec. 324A.023. ORDER OF ELECTION. (a) After holding a
14 hearing under Section 324A.022, the commissioners court may approve
15 the creation of the district and order an election on the issue of
16 the creation of the district only if the court finds that:

17 (1) the petition, if any, was signed by the required
18 number of registered voters in the county;

19 (2) the district will serve the purposes prescribed by
20 Section 324A.001; and

21 (3) the territory of the proposed district includes at
22 least one county election precinct in an eligible county on each
23 side of the San Marcos River.

24 (b) The commissioners court's election order must provide
25 for the voters of the territory of the proposed district who reside
26 in the county to vote for or against a proposition to approve the
27 creation of the district.

1 (c) A commissioners court that orders an election under this
2 section shall notify the commissioners court of the other eligible
3 county in which the proposed district will be located of the order.

4 Sec. 324A.024. ELECTION; RESULT. (a) The election must be
5 held on the date of the first regularly scheduled countywide
6 election that follows the date of the order of the election and for
7 which there is sufficient time to comply with other requirements of
8 law.

9 (b) The commissioners courts of the counties in which the
10 proposed district will be located are not required to hold their
11 respective creation elections on the same day.

12 (c) The returns on the election shall be certified and the
13 results declared in the same manner as provided for other county
14 elections, except as provided by this section.

15 (d) A commissioners court that holds an election under this
16 section shall notify the commissioners court of the other county in
17 which the district is proposed to be located of the results of the
18 election, including the number of voters who voted for the
19 proposition and the number of voters who voted against the
20 proposition.

21 (e) After an election is held in the proposed district
22 territory of each eligible county, the two commissioners courts
23 jointly shall determine whether the majority of the voters voting
24 in the proposed district as a whole voted for or against the
25 proposition to approve the creation of the district. The county
26 commissioners courts jointly shall declare the district created if
27 a majority of the voters who voted in the proposed district as a

whole voted for the proposition. Each commissioners court shall enter the declaration in the court's minutes at the court's next meeting, or if the majority of the voters who voted in the proposed district as a whole voted against the proposition, each court shall enter in the court's minutes that the voters did not approve the creation of the district.

Sec. 324A.025. COSTS OF CREATION AND ORGANIZATION. The costs necessarily incurred in the creation and organization of the district may be paid from the district's revenue from any source.

SUBCHAPTER C. BOARD OF DIRECTORS OF PARK AND RECREATION DISTRICT

Sec. 324A.041. APPOINTMENT OF BOARD MEMBERS; TERMS. (a) A district is governed by a board composed of seven members.

(b) The commissioners court of each county in which the district is located shall appoint three members of the board.

(c) A municipality in the district may nominate a candidate for the seventh board member position. The six board members appointed under Subsection (a) shall select a seventh board member from among the nominations or, if the board receives no nominations, shall select a seventh board member.

(d) A commissioners court or the board shall file with the county clerk of each county in which the district is located a certificate of the appointment of each board member appointed by the court or board. The certificate is conclusive evidence of the proper appointment of the board member.

(e) Three members of the initial board serve one-year terms and four members serve two-year terms. The members shall draw lots to determine which members serve the one-year terms. Thereafter,

each board member is appointed for a term of two years from the date of the board member's appointment.

(f) A board member may not serve more than four consecutive full terms.

Sec. 324A.042. QUALIFICATIONS. (a) A board member must:

(1) be a citizen of the United States; and

(2) reside, own property, or own a business in the district.

(b) A board member may not be an officer or employee of a county in which the district is located or of a municipality in the district.

(c) Not more than two board members may be owners, operators, or employees of the same type of business.

Sec. 324A.043. VACANCIES. A vacancy that occurs on the board shall be filled for the unexpired term by appointment in the manner in which the vacating board member was appointed.

Sec. 324A.044. OATH AND BOND. (a) Not later than the 30th day after the date a board member is appointed, the member must qualify by taking the official oath and by filing a good and sufficient bond with the district.

(b) The bond must be:

(1) payable to the district;

(2) payable in an amount prescribed by the district of \$5,000 or more; and

(3) conditioned that the board member will faithfully perform the duties of a board member, including the proper handling of all money that comes into the board member's hands in the board

1 member's official capacity.

2 Sec. 324A.045. COMPENSATION AND REIMBURSEMENT. A board
3 member is not entitled to compensation but is entitled to
4 reimbursement for necessary expenses, including travel expenses,
5 incurred in performing the duties of a board member. A board
6 member's reimbursement for necessary expenses in excess of \$250
7 must be approved by the board. A board member's approved expense
8 account shall be paid in due time by the board's check or warrant.

9 Sec. 324A.046. QUORUM; MAJORITY VOTE. Four board members
10 constitute a quorum of the board. The board may act on the majority
11 of the vote of the assembled quorum.

12 Sec. 324A.047. APPROVAL OF COMMISSIONERS COURT. (a) The
13 board is subject to the supervision of the commissioners courts of
14 the counties in which the district is located in the exercise of all
15 the board's rights, powers, and privileges and in the performance
16 of the board's duties.

17 (b) Not later than the 30th day after the date the board
18 acts, the commissioners courts jointly may approve or disapprove
19 the board's action. If the courts disapprove the act, the act is
20 ineffective. Otherwise, the act becomes effective on the earlier
21 of the date the commissioners courts approve the act or the 31st day
22 after the date the board acted.

23 Sec. 324A.048. ORGANIZATION; MEETINGS. (a) Annually, the
24 board shall elect a president, a vice president, a secretary, and a
25 treasurer.

26 (b) The offices of secretary and treasurer may be held by
27 the same person. If either the secretary or the treasurer is absent

1 or unavailable, the president may appoint another board member to
2 act for and perform the duties of the absent or unavailable officer.

3 (c) The board shall set times for and hold regular meetings.
4 On the request of two or more board members, the board may hold a
5 special meeting at other times as necessary.

6 (d) The board shall hold meetings at a public place in a
7 county in which the district is located.

8 SUBCHAPTER D. POWERS AND DUTIES

9 Sec. 324A.061. DEPOSITORIES AND DISBURSEMENTS. (a) Money
10 and other funds belonging to or under control of the board are
11 public funds.

12 (b) The board shall select depositories for the money.

13 (c) A warrant or check for the withdrawal of money must be
14 signed by two persons authorized to sign a warrant or check by
15 resolution entered in the board's minutes.

16 Sec. 324A.062. PERSONNEL. (a) The board may employ a
17 manager, secretary, bookkeeper, accountant, and technical expert
18 and any other support personnel or agent the board considers
19 necessary.

20 (b) The board shall determine the qualifications and set the
21 duties of employees.

22 (c) The board may call on the county attorney, district
23 attorney, or criminal district attorney of a county in which the
24 district is located for legal services the board requires. The
25 board may contract for and compensate the board's own legal staff.

26 Sec. 324A.063. SEAL. The board shall adopt a seal to place
27 on each lease, deed, or other instrument usually executed under

1 seal and on other instruments as the board requires.

2 Sec. 324A.064. CONTRACTS. (a) The board may enter into any
3 contract that the board considers necessary or convenient to carry
4 out the purposes and powers granted by this chapter, including a
5 lease or other contract connected with, incident to, or affecting
6 the acquisition, financing, construction, equipment, maintenance,
7 renovation, repair, improvement, or operation of real property or
8 facilities.

9 (b) If the contract is for an amount less than or equal to
10 the amount prescribed by Section 262.023, the board may enter into
11 the contract without advertisement. If the contract is for more
12 than that amount, the contract is subject to the bidding provisions
13 applicable to county contracts.

14 (c) To be effective, a contract must be:

15 (1) approved by board resolution;

16 (2) executed by the president or vice president; and

17 (3) attested by the secretary or treasurer.

18 Sec. 324A.065. SUITS. The board may sue and be sued in the
19 board's own name.

20 Sec. 324A.066. DISTRICT RULES AND ORDINANCES; CRIMINAL
21 PENALTY. (a) The board may adopt reasonable rules and ordinances
22 applicable to:

23 (1) the administration, enforcement, and collection
24 of district fees and the issuance, suspension, and cancellation of
25 revenue permits;

26 (2) littering and litter abatement on public water in
27 the district, including the possession and disposition of plastic

1 and glass containers;

2 (3) activities that endanger the health and safety of
3 persons or property on public water in the district, subject to the
4 public's paramount right to navigate inland water; and

5 (4) tenants, business privileges, concessionaires,
6 users, and activities affecting district property and facilities,
7 including hunting, fishing, boating, camping, tubing, swimming,
8 and conservation of natural resources.

9 (b) A person who violates a rule or ordinance adopted under
10 this section commits an offense. An offense under this subsection
11 is a Class C misdemeanor punishable by:

12 (1) a fine not to exceed \$500 for a violation of a rule
13 or ordinance not described by Subsection (a)(2); and

14 (2) a fine not to exceed \$1,000 for a violation of a
15 rule or ordinance described by Subsection (a)(2).

16 Sec. 324A.067. ENFORCEMENT. (a) A police officer,
17 constable, sheriff, or other law enforcement officer with
18 jurisdiction in a county in which the district is located may arrest
19 a person who violates a district rule or ordinance, including a
20 revenue permit requirement, in the officer's, constable's, or
21 sheriff's county and carry out the prosecution of that person in the
22 proper court.

23 (b) The county attorney, district attorney, or criminal
24 district attorney of a county in which the district is located, or
25 an attorney retained by the board for this purpose, may bring an
26 action to enjoin a violation of a district rule or ordinance, and if
27 the board authorizes, may seek damages and attorney's fees based on

the violation, if the violation involves:

(1) the providing or offering of a rental or service for which collection of a fee is required under Section 324A.093;

(2) the failure of a revenue permit holder to remit a fee imposed under Section 324A.093 if the fee has been due for more than 60 days; or

(3) the violation by a revenue permit holder of a district rule or ordinance relating to an activity that endangers the health or safety of a person or property in the district.

Sec. 324A.068. BOND. If the board brings an action to enforce this subchapter or enjoin a violation of a district rule or ordinance adopted under this subchapter, the board is not required to post a bond.

Sec. 324A.069. POWER TO ACQUIRE PROPERTY. (a) For the conservation of natural resources, the board may acquire land in a county in which the district is located, in or outside the district, including a stream, a lake, submerged land, and swampland, to create a park. The board may develop, improve, protect, and promote the land in a manner the board considers conducive to the general welfare.

(b) The land may be acquired by:

(1) gift or devise;

(2) lump-sum payment; or

(3) installment payments with or without option to purchase.

(c) The district does not have the power of eminent domain.

(d) A commissioners court by eminent domain may not acquire

land for park purposes after August 31, 2015, and subsequently transfer by any means the land or control of the land to the board for park purposes or other purposes. If a commissioners court by eminent domain acquires land for purposes other than park purposes after August 31, 2015, the court may not transfer by any means the land or control of the land to the board for park purposes or other purposes before the 10th anniversary of the date the court acquired the land.

Sec. 324A.070. SALE OR LEASE OF LANDS. (a) If the board determines that any land owned by the district is not necessary for the purposes for which the land was acquired, the board may sell and dispose of the land on terms the board considers advisable.

(b) The board may lease or permit the use of land for purposes consistent with the purposes for which the land was acquired and on terms the board considers advisable.

(c) Before land owned by the district may be sold, once a week for four consecutive weeks in a newspaper of general circulation in the counties in which the district is located, the board must publish a notice of the board's intention to sell the land. The notice must include an accurate description of the land, the time of a public hearing that is not later than the 10th day before the disposition date, and the time and place at which sealed bids will be received.

Sec. 324A.071. GRANTS AND GRATUITIES. To promote or accomplish a purpose of this chapter, the board may:

(1) accept grants or gratuities in any form from any source, including the United States government, this state, a state

1 or federal agency, a private or public corporation, or any other
2 person; or

3 (2) accept donations of money or other property.

4 Sec. 324A.072. DISTRICT AS TRUSTEE. To promote or
5 accomplish a purpose of this chapter, the district may act as
6 trustee of land, money, or other property.

7 Sec. 324A.073. COOPERATION WITH OTHER PUBLIC AUTHORITIES.
8 Under an agreement with a public authority in control of parkland,
9 the district may assume control of all or part of the parkland in
10 the district or contiguous to the district or may contract or
11 cooperate with the public authority in connection with the use,
12 development, improvement, and protection of the parkland.

13 Sec. 324A.074. IMPROVEMENT OF PUBLIC HIGHWAY. The board
14 may enter into an agreement with a public authority in control of a
15 highway in a park area or connecting two or more park areas to make
16 alterations in the route or width of the highway or to grade, drain,
17 pave, or otherwise improve the highway.

18 Sec. 324A.075. PLAN FOR DEVELOPMENT OF PARKS; ANNUAL
19 BUDGET; FILING. (a) The board shall develop and approve a
20 three-year master plan for capital development and the development
21 of parks and district facilities.

22 (b) The board shall annually review and revise the master
23 plan during the budget process and shall file a copy of the master
24 plan and revisions with the county clerk of each county in which the
25 district is located.

26 (c) The board shall annually develop and approve a one-year
27 budget that must include the suggested revisions and additions to

1 the master plan.

2 (d) The board shall submit the annual budget to the
3 commissioners court of each county in which the district is located
4 for approval and shall file a copy with the county clerk.

5 Sec. 324A.076. PERMANENT IMPROVEMENTS ON LAND WITH RIVER
6 FRONTAGE. (a) The district may not purchase a river access
7 location except for use as:

- 8 (1) a sanitary facility;
- 9 (2) a litter receptacle;
- 10 (3) a drinking water facility;
- 11 (4) a parking lot;
- 12 (5) a road or trail;
- 13 (6) a river ingress or egress facility;
- 14 (7) an information booth;
- 15 (8) a fee collection facility;
- 16 (9) a visitor's center; or
- 17 (10) a district office.

18 (b) At a river access location permitted under this section,
19 the district may not engage in any activity that competes with
20 private enterprise except for the provision and operation of a
21 permanent improvement permitted under this section.

22 (c) Subject to the restrictions provided by Section
23 324A.069(d), the district may accept as a grant, gratuity, gift, or
24 devise land with river access and any improvement that may exist on
25 the land at the time of the gift.

26 SUBCHAPTER E. FEES; BONDS; FINANCIAL PROVISIONS

27 Sec. 324A.091. NO AD VALOREM TAXES. The district may not

1 impose an ad valorem tax.

2 Sec. 324A.092. FEES FOR USE OF DISTRICT FACILITY. (a) The
3 board may charge or require the payment of a fee for the use of a
4 district facility except a drinking water or sanitary facility.

5 (b) A fee assessed under this section must be equal and
6 uniform within classes defined by the board.

7 (c) Except as provided by a contract entered into by the
8 board, the board may determine the rate or amount of a fee charged
9 for the use, operation, or lease of district facilities, services,
10 or equipment. The fees must be in amounts that will produce revenue
11 at least sufficient to pay the expenses of operating and
12 maintaining district facilities.

13 Sec. 324A.093. FEES FOR EQUIPMENT RENTALS AND SHUTTLE
14 SERVICE; REVENUE PERMITS; CRIMINAL PENALTY. (a) The district may
15 collect fees and issue revenue permits under this section in the
16 district to carry out any purposes prescribed by this chapter and to
17 pay the obligations of the district.

18 (b) The board by resolution may impose fees for the rental
19 of water-oriented recreational equipment intended for use on a
20 river in the district, including a canoe, tube, raft, boat, or
21 kayak, or for the provision of shuttle service in, or into or out
22 of, the district, including a service for river ingress and egress.
23 The board may impose different fee rates for different types of
24 rental equipment or services, except that a fee may not be imposed
25 at a rate greater than \$3 per person:

26 (1) for each rental of water-oriented recreational
27 equipment; or

1 (2) if the person does not rent equipment described by
2 Subdivision (1), for each person using shuttle service.

3 (c) A fee imposed under this section is payable by the
4 purchaser or consumer of the item or service subject to the fee
5 except that if the person responsible for collecting the fee does
6 not comply with this chapter by collecting and remitting the fee to
7 the district, the person responsible for collecting the fee is
8 liable for the fee.

9 (d) A person who does not hold a revenue permit issued by the
10 board commits an offense if the person provides or offers for
11 compensation a rental or service if the price paid for the rental or
12 service is subject to a fee under this section. Each provision or
13 offer for compensation of the rental or service is a separate
14 offense. An offense under this subsection is a Class C misdemeanor,
15 unless it is shown at the trial of the defendant that the defendant
16 has previously been convicted of an offense under this subsection,
17 in which case the offense is a Class B misdemeanor.

18 (e) A person who holds a revenue permit issued by the
19 district shall collect the fees imposed under this section and
20 shall report and remit the collected fees to the district as the
21 district requires.

22 (f) If a revenue permit holder remits fees imposed under
23 this section after the due date but on or before the 30th day after
24 the due date, the revenue permit holder shall pay the district a
25 penalty of five percent of the amount of fees due. If the revenue
26 permit holder remits the fees after the 30th day after the due date,
27 the revenue permit holder shall pay the district a penalty of 10

1 percent of the amount of fees due.

2 (g) Delinquent fees and accrued penalties draw interest at
3 the rate of 10 percent a year beginning on the 60th day after the
4 date the fees imposed under this section were due.

5 (h) If a revenue permit holder does not collect and remit a
6 fee imposed under this section, the board may suspend, revoke, or
7 cancel the holder's revenue permit and pursue any other remedy the
8 district may have to collect the fee under civil or criminal law.

9 (i) The board may settle a claim for a penalty or interest
10 accrued on a fee imposed under this section if the board finds that
11 the revenue permit holder exercised reasonable diligence to comply
12 with this chapter.

13 (j) In the same manner that this section applies to a person
14 who provides or offers a rental or service for compensation in the
15 district, this section applies to a person who resides or does
16 business outside the district but:

17 (1) provides or offers a rental or service for
18 compensation in the district; and

19 (2) regularly transports customers into or out of the
20 district for river or parking access.

21 Sec. 324A.094. FEE EXEMPTION. The district may not collect
22 a fee on a transaction between a person and an interest operated in
23 the district by:

24 (1) the United States; or

25 (2) a state park.

26 Sec. 324A.095. REVENUE BOND ELECTION. (a) Revenue bonds
27 may not be issued by the district until authorized by a majority

1 vote of the district's voters voting at an election called and held
2 for that purpose.

3 (b) Not later than two years after the date the district is
4 declared created under Section 324A.024, the board may order a bond
5 election. Regardless of the requirements of Section 324A.047(b),
6 the order is not effective unless approved by the commissioners
7 court of each county in which the district is located. Except as
8 provided by this section, the election shall be held in the manner
9 provided by the Election Code.

10 (c) At the election, the ballot must be printed to provide
11 for voting for or against the issuance of revenue bonds.

12 (d) If a majority of the votes cast at the election favor the
13 issuance of the bonds, the bonds may be issued by the board. If a
14 majority of the votes cast at the election do not favor issuance of
15 the bonds, the bonds may not be issued.

16 Sec. 324A.096. REVENUE BONDS. (a) For the purpose of
17 providing funds for the acquisition of a permanent improvement to
18 property of the district or for the acquisition, renovation,
19 repair, improvement, equipping, or construction of a facility to be
20 used in connection with the operation of the district, the board may
21 issue revenue bonds that are approved at an election called under
22 Section 324A.095.

23 (b) The district may make the bonds payable out of any
24 revenue of the district.

25 (c) The bonds must be:

26 (1) issued in the name of the district;

27 (2) signed by the county judge of each county in which

1 the district is located; and

2 (3) attested by the county clerk and ex officio clerk
3 of the commissioners court of each county in which the district is
4 located.

5 (d) The seal of the commissioners court of each county in
6 which the district is located must be impressed on the bonds.

7 (e) The bonds must mature serially or otherwise in not more
8 than 40 years and may be sold at a price and under terms determined
9 by the board to be the most advantageous reasonably obtainable.

10 (f) The resolution authorizing the issuance of the bonds may
11 contain provisions for redemption of the bonds before their
12 respective maturity dates at prices and times prescribed in the
13 resolution. Except for rights of redemption expressly reserved in
14 the resolution and in the revenue bonds, the bonds are not subject
15 to redemption before maturity.

16 (g) The bonds may be made payable at times and at places,
17 inside or outside the state, prescribed in the resolution.

18 (h) The bonds may be made registrable as to principal or as
19 to both principal and interest.

20 Sec. 324A.097. BOND ANTICIPATION NOTES. (a) If funds are
21 not available to pay the principal of or interest on bonds issued by
22 the district or to pay other obligations of the district, the board
23 may declare an emergency and may issue negotiable bond anticipation
24 notes to borrow the money needed. The bond anticipation notes may
25 bear interest at a rate that does not exceed the maximum rate
26 provided by Chapter 1204, Government Code, and must mature within
27 one year after their date of issuance.

1 (b) Bond anticipation notes may also be issued for any
2 purpose for which bonds of the district have been voted or to refund
3 previously issued bond anticipation notes.

4 (c) Bond anticipation notes issued under this section must
5 be authorized by resolution of the board, subject to approval by the
6 commissioners courts under Section 324A.047, and must be executed
7 by the president of the board and attested by the secretary of the
8 board.

9 Sec. 324A.098. REFUNDING BONDS. The district may issue
10 refunding bonds under Chapter 1207, Government Code.

11 Sec. 324A.099. REPAYMENT OF BONDS THROUGH FEE REVENUE. (a)
12 This section applies only to fees charged by the district while the
13 district has outstanding bonds or interest.

14 (b) The board shall charge or require the payment of fees
15 under Section 324A.092 or 324A.093 while the principal of or
16 interest on district bonds is outstanding.

17 (c) The board shall set the fees in amounts that will yield
18 revenues at least sufficient to pay district expenses, to comply
19 with the covenants in the bond resolution, and to make payments
20 prescribed by the bond resolution for debt service. "Debt
21 service," as defined by the bond resolution, may include the
22 payment of principal and interest as each matures, the
23 establishment and maintenance of funds for extensions and
24 improvements, an operating reserve, and an interest and sinking
25 fund reserve.

26 (d) The expense of operation and maintenance of a district
27 facility is a first lien on and charge against the income of the

1 facility if the facility's revenues are pledged to the payment of
2 bonds.

3 Sec. 324A.100. FINANCIAL STATEMENT; BUDGET. (a) On or
4 before February 1 of each year, the board shall prepare and file
5 with the officer responsible for the county budget for each county
6 in which the district is located a complete financial statement
7 showing the financial status of the district and the district's
8 properties, funds, and indebtedness.

9 (b) The financial statement must be prepared in accordance
10 with standards adopted by the Governmental Accounting Standards
11 Board and must show separately all information concerning:

12 (1) leases, promissory notes, and other indebtedness
13 of the district; and

14 (2) fee revenue of the district.

15 (c) At the time the financial statement is filed, the board
16 shall file with the commissioners court of each county in which the
17 district is located a proposed budget of the board's needs for the
18 next fiscal year. The proposed budget shall include items that:

19 (1) the board is unable to finance from the district's
20 revenues; and

21 (2) the board requests purchase of with funds from
22 that county.

23 (d) The officer responsible for the county budget for each
24 county in which the district is located shall include the
25 district's proposed budget on the calendar for the next regularly
26 scheduled meeting of the commissioners court. As part of the
27 county's tentative budget, the items certified by the board are

1 subject to state law relating to county budgets.

2 (e) The county auditor of a county in which the district is
3 located, after consultation with or notification to the county
4 auditor of the other county in which the district is located, may
5 conduct a general audit and issue a financial statement of the
6 district at times the auditor considers appropriate.

7 (f) The board shall operate the parks and facilities under
8 the board's control in a manner that will produce revenue at least
9 sufficient to pay the expenses of operating and maintaining the
10 district's parks and facilities without seeking from a
11 commissioners court the appropriation of additional money for those
12 expenses.

13 Sec. 324A.101. DISPOSITION OF REVENUE. In addition to any
14 other purpose or obligation of a district, a district may use
15 district fee revenue and other revenue for:

16 (1) acquisition of a right-of-way that leads to or is
17 in the district;

18 (2) construction, improvement, or maintenance of a
19 district facility or road that leads to or is in the district;

20 (3) provision of law enforcement, emergency medical
21 services, or fire protection in the district;

22 (4) programs to improve the water quality and sanitary
23 conditions in the district;

24 (5) other programs that promote water-oriented
25 recreation in the district;

26 (6) acquiring insurance for the district;

27 (7) hiring necessary personnel as provided by Section

1 324A.062;

2 (8) construction of facilities to house district
3 personnel and equipment;

4 (9) leasing of property as necessary to benefit the
5 district; and

6 (10) any other lawful purpose for the benefit of the
7 district.

8 Sec. 324A.102. REPLACEMENT FUND. (a) The board may
9 establish a replacement fund. The board may deposit in the fund any
10 amounts from board revenue that the board considers appropriate.

11 (b) The replacement fund may be used to rebuild, restore,
12 repair, or improve district property that is destroyed or injured
13 or as necessary to expand, improve, demolish, repair, or replace
14 district property because of unfitness.

15 (c) The board may invest the replacement fund in bonds of
16 the United States, this state, or a county, municipal corporation,
17 or school district of this state.

18 SUBCHAPTER F. ANNEXATION; INCORPORATION; DISSOLUTION

19 Sec. 324A.121. ANNEXATION. (a) The voters of an area that
20 is contiguous to a district may file a petition with the board to
21 annex the area to the district.

22 (b) The petition must contain an accurate description of the
23 area proposed for annexation by reference to county election
24 precinct boundaries, by metes and bounds, by lot and block number if
25 there is a recorded map or plat and survey of the area, or by other
26 sufficient legal description.

27 (c) The petition must be signed by at least one percent of

1 the registered voters in the area proposed for annexation.

2 (d) The board shall give notice of a hearing on the petition
3 and hold a hearing in the manner prescribed by Section 324A.022 for
4 a commissioners court hearing.

5 (e) After holding the hearing, the board may by order annex
6 the area only if the board finds that the annexation promotes the
7 purposes for which the district was created.

8 (f) If the board annexes territory into the district located
9 in a county other than the counties in which the district was
10 located on the date of the district's creation, the commissioners
11 court of the new county is not entitled to appoint members to the
12 district's board, disapprove board actions, or otherwise
13 participate in the governance of the district.

14 Sec. 324A.122. EFFECT OF INCORPORATION OR ANNEXATION. The
15 incorporation of a political subdivision or the annexation of any
16 part of a district by a political subdivision does not affect the
17 district's boundaries.

18 Sec. 324A.123. DISANNEXATION. (a) The voters of or county
19 commissioners for any area in a district may file a petition with
20 the board to disannex the area from the district.

21 (b) The petition must contain an accurate description of the
22 area proposed for disannexation by reference to county election
23 precinct boundaries, by metes and bounds, by lot and block number if
24 there is a recorded map or plat and survey of the area, or by other
25 sufficient legal description.

26 (c) The petition must be signed by at least one percent of
27 the registered voters in the area proposed for disannexation or by

1 each county commissioner for the area proposed for disannexation.

2 (d) The board shall give notice of a hearing on the petition
3 and hold a hearing in the manner prescribed by Section 324A.022 for
4 a commissioners court hearing.

5 (e) The board may grant the petition and by order disannex
6 the territory if the board finds that:

7 (1) the petition meets the requirements of this
8 section;

9 (2) the district has not acquired or constructed a
10 permanent improvement or facility in the area proposed for
11 disannexation;

12 (3) the district's projected revenue from all sources,
13 except from the area proposed for disannexation, is sufficient to
14 pay the district's outstanding debts; and

15 (4) the disannexation is in the district's best
16 interests.

17 (f) Except as provided by Section 324A.125(d), if the Parks
18 and Wildlife Department creates a state park that includes
19 territory in the district, the board shall by order disannex the
20 overlapping territory from the district.

21 (g) The disannexation takes effect on the date stated by the
22 order or, if the order does not state a date, on the date the order
23 is issued.

24 Sec. 324A.124. DISSOLUTION OF DISTRICT BY COMMISSIONERS
25 COURTS. (a) The commissioners courts of each county in which the
26 district is located by joint order may dissolve the district. The
27 order may be adopted:

1 (1) on a motion by a commissioners court; or

2 (2) after the filing of a written petition with each
3 county in which the district is located signed by a number of the
4 registered voters who reside in the district equal to at least 10
5 percent of the votes received in the district in the most recent
6 gubernatorial general election.

7 (b) Each commissioners court that receives a petition shall
8 give notice of a hearing on the petition or motion and hold a
9 hearing in the manner prescribed by Section 324A.022.

10 (c) The commissioners courts shall jointly grant a petition
11 and order the dissolution of the district if the courts find that
12 the petition, if any, meets the requirements of this section and
13 that the dissolution is in the best interests of the counties.

14 Sec. 324A.125. DISSOLUTION OF DISTRICT BY BOARD. (a) The
15 board may by order dissolve the district. The order may be adopted:

16 (1) on the board's own motion; or

17 (2) after the filing of a written petition signed by a
18 number of the registered voters who reside in the district equal to
19 at least 10 percent of the votes received in the district in the
20 most recent gubernatorial general election.

21 (b) The board shall give notice of a hearing on the petition
22 or motion and hold a hearing in the manner prescribed by Section
23 324A.022 for a commissioners court hearing.

24 (c) After the hearing, the board shall order the dissolution
25 of the district if the board finds that the petition, if any, meets
26 the requirements of this section and that the dissolution is in the
27 best interests of the counties in which the district is located.

1 (d) The board shall by order dissolve the district if the
2 Parks and Wildlife Department creates a state park that includes:

3 (1) all of the district's territory located in one of
4 the counties in which the district is located; or

5 (2) all of the district's territory.

6 Sec. 324A.126. DISPOSITION OR TRANSFER OF DISTRICT ASSETS.

7 (a) If the district is dissolved, the board shall:

8 (1) transfer the land, buildings, improvements,
9 equipment, and other assets that belong to the district to both of
10 the counties in which the district is located; or

11 (2) administer the property, assets, and debts until
12 all money has been disposed of and all district debts have been paid
13 or settled.

14 (b) If the district makes the transfer under Subsection
15 (a)(1), the receiving counties assume the debts and obligations of
16 the district at the time of the transfer, and the district is
17 dissolved.

18 (c) If Subsection (a)(1) does not apply and the board
19 administers the property, assets, and debts of the district under
20 Subsection (a)(2), the district is dissolved when all money has
21 been disposed of and all district debts have been paid or settled.

22 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

23 Sec. 324A.901. REQUIREMENTS FOR RENTAL OF WATER-ORIENTED
24 RECREATIONAL EQUIPMENT. (a) This section applies only to the
25 rental of water-oriented recreational equipment in a district.

26 (b) A person may rent water-oriented recreational equipment
27 only if each person who will use the equipment is listed on a

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1 written agreement for the rental of that equipment.

2 SECTION 2. This Act takes effect September 1, 2015.