

By: Zaffirini

S.B. No. 965

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 and issue bonds; creating a criminal offense.

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

SAN MARCOS RIVER

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 324A.001. ELIGIBLE COUNTIES AND TERRITORY; PURPOSE.

(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) conserve the natural resources in the district;

and

(2) 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.

Sec. 324A.002. DEFINITIONS. In this chapter:

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

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

5 (3) "Eligible county" means a county described by
6 Section 324A.001.

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

8 SUBCHAPTER B. CREATION OF PARK AND RECREATION DISTRICT

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

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

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

15 (i) is signed by a number of the registered
16 voters who reside in the county equal to at least five percent of
17 the votes received in the county in the most recent gubernatorial
18 general election; and

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

24 (B) passes a motion favoring creation of the
25 district that includes an accurate description of the territory to
26 be included in the district by reference to county election
27 precinct boundaries, by metes and bounds, by lot and block number if

1 there is a recorded map or plat and survey of the area, or by other
2 sufficient legal description;

3 (2) the commissioners court of each county in which
4 the proposed district will be located approves the creation of the
5 district after a public hearing held to consider the creation of the
6 district; and

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

9 Sec. 324A.022. HEARING. (a) A commissioners court of an
10 eligible county that receives a petition or passes a motion under
11 Section 324A.021 shall hold a hearing on the creation of the
12 district.

13 (b) The commissioners court shall set a date for the hearing
14 that is after the 20th day but on or before the 40th day after the
15 date the petition is received or the passage of the motion, as
16 applicable, under Section 324A.021.

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

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

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

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

27 Sec. 324A.023. ORDER OF ELECTION. (a) After holding a

1 hearing under Section 324A.022, the commissioners court may approve
2 the creation of the district and order an election on the issue of
3 the creation of the district only if the court finds that:

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

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

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

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

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

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

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

26 (c) The returns on the election shall be certified and the
27 results declared in the same manner as provided for other county

1 elections, except as provided by this section.

2 (d) A commissioners court that holds an election under this
3 section shall notify the commissioners court of the other county in
4 which the district is proposed to be located of the results of the
5 election, including the number of voters who voted for the
6 proposition and the number of voters who voted against the
7 proposition.

8 (e) After an election is held in the proposed district
9 territory of each eligible county, the commissioners court of each
10 county shall determine whether the majority of the voters of the
11 proposed district territory in that county voting in the election
12 voted for or against the proposition to approve the creation of the
13 district. The county commissioners courts jointly shall declare
14 the district created if a majority of the voters who voted in each
15 county voted for the proposition. Each commissioners court shall
16 enter in the court's minutes at the court's next meeting that the
17 voters of the county approved or did not approve the creation of the
18 district.

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

22 (b) The district may borrow money on terms and conditions
23 determined by the board to pay costs incurred in the creation and
24 organization of the district.

25 SUBCHAPTER C. BOARD OF DIRECTORS OF PARK AND RECREATION DISTRICT

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

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

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

8 (d) A commissioners court shall file with the county clerk
9 of each county in which the district is located a certificate of the
10 appointment of each board member appointed by the court. The board
11 shall file with the county clerk of each county in which the
12 district is located a certificate of the appointment of each board
13 member appointed by the board. A certificate is conclusive
14 evidence of the proper appointment of the board member.

15 (e) Before appointing a board member who succeeds an initial
16 board member, the commissioners court of a county shall request
17 from the district a report on the board members serving at that
18 time, which must include each member's qualifications to serve on
19 the board, occupation, and residence and any relevant demographic
20 information. The district shall submit the report in a timely
21 manner.

22 (f) Three members of the initial board serve one-year terms
23 and four members serve two-year terms. The members shall draw lots
24 to determine which members serve the one-year terms. Thereafter,
25 each board member is appointed for a term of two years from the date
26 of the board member's appointment.

27 (g) A board member may not serve more than four consecutive

1 full terms.

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

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

4 (2) reside in a county in which the district is
5 located.

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

9 (c) At least four board members must reside, own property,
10 or own a business in the district.

11 (d) Not more than three board members may be owners,
12 operators, or employees of businesses that provide as their main
13 business the same specific good or service.

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

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

21 (b) The bond must be:

22 (1) payable to the district;

23 (2) payable in an amount prescribed by the district of
24 \$5,000 or more; and

25 (3) conditioned that the board member will faithfully
26 perform the duties of a board member, including the proper handling
27 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. (a) Four board
10 members constitute a quorum of the board.

11 (b) An affirmative vote of four members is required for
12 board action.

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

18 (b) Not later than the 30th day after the date the board
19 acts, the commissioners courts may approve or disapprove the
20 board's action. If one of the courts disapproves the act, the act
21 is ineffective. Otherwise, the act becomes effective on the
22 earlier of the date each commissioners court approves the act or the
23 31st day after the date the board acted.

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

27 (b) The offices of secretary and treasurer may be held by

1 the same person. If either the secretary or the treasurer is absent
2 or unavailable, the president may appoint another board member to
3 act for and perform the duties of the absent or unavailable officer.

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

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

9 SUBCHAPTER D. POWERS AND DUTIES

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

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

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

17 Sec. 324A.062. ADMINISTRATION. (a) The board may employ a
18 manager and a secretary.

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

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

25 (d) The district may maintain and operate an office.

26 (e) The board may acquire insurance for the district.

27 Sec. 324A.063. SEAL. The board shall adopt a seal to place

1 on each lease, deed, or other instrument usually executed under
2 seal and on other instruments as the board requires.

3 Sec. 324A.064. CONTRACTS. (a) The board may enter into
4 any contract that the board considers necessary or convenient to
5 carry out the purposes and powers granted by this chapter.

6 (b) If the contract is for an amount less than or equal to
7 \$25,000, the board may enter into the contract without
8 advertisement. If the contract is for more than that amount, the
9 contract is subject to the bidding provisions applicable to county
10 contracts.

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

12 (1) approved by board resolution;

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

14 (3) attested by the secretary or treasurer.

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

17 Sec. 324A.066. GENERAL DISTRICT POWERS. The district has
18 all powers necessary to accomplish the purposes for which the
19 district was created.

20 Sec. 324A.067. 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) noise abatement in the district;

27 (3) traffic control in the district;

1 (4) littering and litter abatement on public water in
2 the district, including the possession and disposition of glass
3 containers;

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

8 (6) conservation of the district's natural resources
9 and regulation of activities affecting the district's natural
10 resources.

11 (b) The district may not adopt a rule or ordinance that
12 would prevent a reasonably prudent person from operating a business
13 that the person operated immediately before the rule or ordinance
14 was adopted.

15 (c) A person who violates a rule or ordinance adopted under
16 this section commits an offense. An offense under this subsection
17 is a Class C misdemeanor.

18 Sec. 324A.068. ENFORCEMENT. (a) A police officer,
19 constable, sheriff, or other law enforcement officer with
20 jurisdiction in a county in which the district is located may arrest
21 a person who violates a district rule or ordinance, including a
22 revenue permit requirement, in the officer's, constable's, or
23 sheriff's county and carry out the prosecution of that person in the
24 proper court.

25 (b) The district may contract for or employ its own peace
26 officers with power to make arrests when necessary to prevent or
27 abate the commission of any offense against the rules or ordinances

1 of the district.

2 (c) A peace officer contracted for by the district,
3 individually or through a county, sheriff, constable, or
4 municipality, is an independent contractor, and the district is
5 responsible for the acts or omissions of the peace officer only to
6 the extent provided by law for other independent contractors.

7 (d) A law enforcement agency operating under a district
8 contract shall submit to the district a monthly report that
9 includes:

10 (1) the number of citations issued and arrests made by
11 the peace officers of the agency in the district; and

12 (2) the types of violations for which the citations
13 were issued and arrests made.

14 (e) The county attorney, district attorney, or criminal
15 district attorney of a county in which the district is located, or
16 an attorney retained by the board for this purpose, may bring an
17 action to enjoin a violation of a district rule or ordinance, and if
18 the board authorizes, may seek damages and attorney's fees based on
19 the violation, if the violation involves:

20 (1) the providing or offering of a rental or service
21 for which collection of a fee is required under Section 324A.092;

22 (2) the failure of a revenue permit holder to remit a
23 fee imposed under Section 324A.092 if the fee has been due for more
24 than 60 days; or

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

1 district.

2 Sec. 324A.069. DISPOSITION OF FINES. (a) A justice of the
3 peace, a clerk of any court, or any other officer of this state
4 receiving any fine imposed by a court on a person who was issued a
5 citation or arrested for a violation by a peace officer operating
6 under a contract with the district at the time of the violation
7 shall:

8 (1) send 75 percent of the fine to the district and 25
9 percent of the fine to the county in which the court is located; and

10 (2) note the docket number of the case, the name of the
11 person fined, and the law, rule, or ordinance violated.

12 (b) All costs of the court shall be retained by the court and
13 deposited as other fees in the proper fund.

14 Sec. 324A.070. BOND. If the board brings an action to
15 enforce this subchapter or enjoin a violation of a district rule or
16 ordinance adopted under this subchapter, the board is not required
17 to post a bond.

18 Sec. 324A.071. FIRE AND MEDICAL SERVICES. The district may
19 provide for fire protection and emergency medical services in the
20 district.

21 Sec. 324A.072. WATER QUALITY; WASTE DISPOSAL. The district
22 may conduct a program to improve water quality, sanitary
23 conditions, or waste disposal in the district, including a program
24 to provide trash bags to patrons of revenue permit holders.

25 Sec. 324A.073. CUSTOMER IDENTIFICATION. (a) The district
26 may require revenue permit holders to:

27 (1) ask customers to provide a driver's license,

1 personal identification certificate, military identification card,
2 or passport for the purpose of identifying customers who are 21
3 years of age or older; and

4 (2) provide wristbands or another method of
5 identification to customers who are 21 years of age or older.

6 (b) If the district imposes identification requirements
7 under Subsection (a):

8 (1) the district may not require a revenue permit
9 holder to hold a permit required by the Alcoholic Beverage Code;

10 (2) a revenue permit holder is not responsible for
11 determining whether identification presented by a customer is
12 valid; and

13 (3) a revenue permit holder is not liable in a suit for
14 damages for negligent performance or nonperformance of the
15 requirements.

16 (c) The district may require revenue permit holders to
17 ensure that each person who will use water-oriented recreational
18 equipment rented from the permit holder is listed on a written
19 agreement for the rental of that equipment.

20 (d) A violation of a requirement adopted under this section
21 is not an offense.

22 Sec. 324A.074. GRANTS AND GRATUITIES. To promote or
23 accomplish a purpose of this chapter, the board may:

24 (1) accept grants or gratuities in any form from any
25 source, including the United States government, this state, a
26 private or public corporation, or any other person; or

27 (2) accept donations of money or other personal

1 property.

2 Sec. 324A.075. MANAGEMENT PLAN; ANNUAL BUDGET; FILING.

3 (a) The board shall develop and approve a three-year master plan
4 for the management of the district.

5 (b) The board shall annually review and revise the master
6 plan during the budget process and shall file a copy of the master
7 plan and revisions with the county clerk of each county in which the
8 district is located.

9 (c) The board shall annually develop and approve a one-year
10 budget that must include the suggested revisions and additions to
11 the master plan.

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

15 Sec. 324A.076. CONTRIBUTIONS FOR ROADS. If the board has
16 excess revenue, the board may make a contribution from the excess
17 revenue to the general fund of a county in which the district is
18 located or to the general fund of a municipality for the purposes of
19 construction, improvement, or maintenance of a road that leads to
20 or is in the district.

21 Sec. 324A.077. NO PROMOTION. The district may not promote
22 or advertise for a specific recreational river activity.

23 Sec. 324A.078. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

25 SUBCHAPTER E. FEES; BONDS; FINANCIAL PROVISIONS

26 Sec. 324A.091. NO AD VALOREM TAXES. The district may not
27 impose an ad valorem tax.

1 Sec. 324A.092. FEES FOR EQUIPMENT RENTALS AND SHUTTLE
2 SERVICE; REVENUE PERMITS; CRIMINAL PENALTY. (a) The district may
3 collect fees and issue revenue permits under this section in the
4 district to carry out any purposes prescribed by this chapter and to
5 pay the obligations and expenses of the district. The district may
6 not impose a fee other than a fee described by this section.

7 (b) The board by resolution may impose fees for the rental
8 of water-oriented recreational equipment intended for use on a
9 river in the district, including a canoe, tube, raft, boat, or
10 kayak, or for the provision of shuttle service in, or into or out
11 of, the district, including a service for river ingress and egress.
12 The board may impose different fee rates for different types of
13 rental equipment or services, except that a fee may not be imposed
14 at a rate greater than \$4 per person:

15 (1) for each rental of water-oriented recreational
16 equipment; or

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

19 (c) A fee imposed under this section is payable by the
20 purchaser or consumer of the item or service subject to the fee
21 except that if the person responsible for collecting the fee does
22 not comply with this chapter by collecting and remitting the fee to
23 the district, the person responsible for collecting the fee is
24 liable for the fee.

25 (d) A person who does not hold a revenue permit issued by the
26 board commits an offense if the person provides or offers for
27 compensation a rental or service if the rental or service is subject

1 to a fee under this section. Each provision or offer for
2 compensation of the rental or service is a separate offense. An
3 offense under this subsection is a Class C misdemeanor, unless it is
4 shown at the trial of the defendant that the defendant has
5 previously been convicted of an offense under this subsection, in
6 which case the offense is a Class B misdemeanor.

7 (e) A person who holds a revenue permit issued by the
8 district shall collect the fees imposed under this section and
9 shall report and remit the collected fees to the district as the
10 district requires.

11 (f) If a revenue permit holder remits fees imposed under
12 this section after the due date but on or before the 30th day after
13 the due date, the revenue permit holder shall pay the district a
14 penalty of five percent of the amount of fees due. If the revenue
15 permit holder remits the fees after the 30th day after the due date,
16 the revenue permit holder shall pay the district a penalty of 10
17 percent of the amount of fees due.

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

21 (h) If a revenue permit holder does not collect and remit a
22 fee imposed under this section, the board may pursue any remedy the
23 district may have to collect the fee under civil or criminal law.

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

1 (j) A revenue permit holder shall:

2 (1) maintain records of fee receipts, monthly gross
3 income from fees collected, and written rental agreements for at
4 least five years after the date of the associated transaction; and

5 (2) allow the district to inspect the records.

6 (k) A revenue permit holder's records are subject to
7 inspection and audit by the district or a certified public
8 accountant representing the district.

9 (1) The board may suspend, revoke, or cancel a revenue
10 permit if the board finds that the permit holder has violated this
11 chapter, a district rule or ordinance, or a district requirement
12 adopted under this chapter.

13 (m) 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.093. 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.094. 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) The board may order a bond election. Regardless of the
4 requirements of Section 324A.047(b), the order is not effective
5 unless approved by the commissioners court of each county in which
6 the district is located. Except as provided by this section, the
7 election shall be held in the manner provided by the Election Code.

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

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

14 Sec. 324A.095. REVENUE BONDS. (a) The district may make
15 revenue bonds payable out of any revenue of the district.

16 (b) The bonds must be:

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

18 (2) signed by the county judge of each county in which
19 the district is located; and

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

23 (c) The seal of the commissioners court of each county in
24 which the district is located must be impressed on the bonds.

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

1 (e) The resolution authorizing the issuance of the bonds may
2 contain provisions for redemption of the bonds before their
3 respective maturity dates at prices and times prescribed in the
4 resolution. Except for rights of redemption expressly reserved in
5 the resolution and in the revenue bonds, the bonds are not subject
6 to redemption before maturity.

7 (f) The bonds may be made payable at times and at places,
8 inside or outside the state, prescribed in the resolution.

9 (g) The bonds may be made registrable as to principal or as
10 to both principal and interest.

11 Sec. 324A.096. BOND ANTICIPATION NOTES. (a) If funds are
12 not available to pay the principal of or interest on bonds issued by
13 the district or to pay other obligations of the district, the board
14 may declare an emergency and may issue negotiable bond anticipation
15 notes to borrow the money needed. The bond anticipation notes may
16 bear interest at a rate that does not exceed the maximum rate
17 provided by Chapter 1204, Government Code, and must mature within
18 one year after their date of issuance.

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

22 (c) Bond anticipation notes issued under this section must
23 be authorized by resolution of the board, subject to approval by the
24 commissioners courts under Section 324A.047, and must be executed
25 by the president of the board and attested by the secretary of the
26 board.

27 Sec. 324A.097. REFUNDING BONDS. The district may issue

1 refunding bonds under Chapter 1207, Government Code.

2 Sec. 324A.098. REPAYMENT OF DEBT THROUGH FEE REVENUE.

3 (a) This section applies only to fees charged by the district
4 while the district has outstanding loans, bonds, or interest.

5 (b) The board shall charge or require the payment of fees
6 authorized by Section 324A.092 while the principal of or interest
7 on district bonds is outstanding.

8 (c) Subject to the maximum fee amount prescribed by Section
9 324A.092(b), the board shall set the fees in amounts that will yield
10 revenues at least sufficient to pay district expenses, to comply
11 with the covenants in the bond resolution, and to make payments
12 prescribed by the bond resolution for debt service. "Debt
13 service," as defined by the bond resolution, may include the
14 payment of principal and interest as each matures, the
15 establishment and maintenance of funds for extensions and
16 improvements, an operating reserve, and an interest and sinking
17 fund reserve.

18 Sec. 324A.099. FINANCIAL STATEMENT; BUDGET. (a) On or
19 before February 1 of each year, the board shall prepare and file
20 with the officer responsible for the county budget for each county
21 in which the district is located a complete financial statement
22 showing the financial status of the district and the district's
23 properties, funds, and indebtedness.

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

27 (1) leases, promissory notes, and other indebtedness

1 of the district; and

2 (2) fee revenue of the district.

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

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

9 (2) the board requests purchase of with funds from
10 that county.

11 (d) The officer responsible for the county budget for each
12 county in which the district is located shall include the
13 district's proposed budget on the calendar for the next regularly
14 scheduled meeting of the commissioners court. As part of the
15 county's tentative budget, the items certified by the board are
16 subject to state law relating to county budgets.

17 (e) The county auditor of a county in which the district is
18 located, after consultation with or notification to the county
19 auditor of the other county in which the district is located, may
20 conduct a general audit and issue a financial statement of the
21 district at times the auditor considers appropriate.

22 Sec. 324A.100. DISPOSITION OF REVENUE. A district may use
23 district fee revenue and other revenue for any purpose authorized
24 by this chapter or other law for the benefit of the district.

25 SUBCHAPTER F. INCORPORATION; ANNEXATION; DISSOLUTION

26 Sec. 324A.121. EFFECT OF INCORPORATION OR ANNEXATION. The
27 incorporation of a political subdivision or the annexation of any

1 part of a district by a political subdivision does not affect the
2 district's boundaries.

3 Sec. 324A.122. DISANNEXATION. (a) The voters of or county
4 commissioners for any area in a district may file a petition with
5 the board to disannex the area from the district.

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

11 (c) The petition must be signed by at least five percent of
12 the registered voters in the area proposed for disannexation or by
13 each county commissioner for the area proposed for disannexation.

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

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

19 (1) the petition meets the requirements of this
20 section;

21 (2) the district's projected revenue from all sources,
22 except from the area proposed for disannexation, is sufficient to
23 pay the district's outstanding debts; and

24 (3) the disannexation is in the district's best
25 interests.

26 (f) Except as provided by Section 324A.124(d), if a state
27 park is created that includes territory in the district, the board

1 shall by order disannex the overlapping territory from the
2 district.

3 (g) The disannexation takes effect on the date stated by the
4 order or, if the order does not state a date, on the date the order
5 is issued.

6 Sec. 324A.123. DISSOLUTION OF DISTRICT BY COMMISSIONERS
7 COURTS. (a) The commissioners courts of each county in which the
8 district is located by joint order may dissolve the district. The
9 order may be adopted:

- 10 (1) on a motion by a commissioners court; or
11 (2) after the filing of a written petition with each
12 county in which the district is located signed by a number of the
13 registered voters who reside in the district equal to at least 10
14 percent of the votes received in the district in the most recent
15 gubernatorial general election.

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

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

23 Sec. 324A.124. DISSOLUTION OF DISTRICT BY BOARD. (a) The
24 board may by order dissolve the district. The order may be adopted:

- 25 (1) on the board's own motion; or
26 (2) after the filing of a written petition signed by a
27 number of the registered voters who reside in the district equal to

1 at least 10 percent of the votes received in the district in the
2 most recent gubernatorial general election.

3 (b) The board shall give notice of a hearing on the petition
4 or motion and hold a hearing in the manner prescribed by Section
5 324A.022 for a commissioners court hearing.

6 (c) After the hearing, the board shall order the dissolution
7 of the district if the board finds that the petition, if any, meets
8 the requirements of this section and that the dissolution is in the
9 best interests of the counties in which the district is located.

10 (d) The board shall by order dissolve the district if a
11 state park is created that includes:

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

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

15 Sec. 324A.125. DISPOSITION OF DISTRICT ASSETS AND DEBTS.

16 (a) If the district is dissolved, the board shall administer the
17 assets and debts, and charge fees as provided by Section 324A.098,
18 until all money has been disposed of and all district debts have
19 been paid or settled.

20 (b) The district is dissolved when all money has been
21 disposed of and all district debts have been paid or settled.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2017.