

1-1 By: Guillen (Senate Sponsor - Perry) H.B. No. 2692
1-2 (In the Senate - Received from the House April 30, 2025;
1-3 May 5, 2025, read first time and referred to Committee on Water,
1-4 Agriculture and Rural Affairs; May 13, 2025, reported favorably by
1-5 the following vote: Yeas 8, Nays 0; May 13, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	Perry	X		
1-9	Hancock	X		
1-10	Birdwell	X		
1-11	Blanco	X		
1-12	Gutierrez		X	
1-13	Hinojosa of Nueces	X		
1-14	Johnson	X		
1-15	Kolkhorst	X		
1-16	Sparks	X		

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the San Antonio River Authority.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subtitle G, Title 6, Special District Local Laws
1-22 Code, is amended by adding Chapter 8513 to read as follows:

1-23 CHAPTER 8513. SAN ANTONIO RIVER AUTHORITY

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 8513.0101. DEFINITIONS. In this chapter:

1-26 (1) "Authority" means the San Antonio River Authority.

1-27 (2) "Board" means the authority's board of directors.

1-28 (3) "Commission" means the Texas Commission on

1-29 Environmental Quality.

1-30 (4) "Director" means a board member.

1-31 (5) "Flood plain" means the area of the channel of a

1-32 river or stream and those portions of land abutting and adjacent to

1-33 the channel that are reasonably required to carry floodwaters.

1-34 (6) "San Antonio River Basin" means all of the area

1-35 except for Bandera, Real, and Kerr Counties that has topographic

1-36 characteristics causing surface waters to flow into the San Antonio

1-37 River and its tributaries.

1-38 (7) "State" means the State of Texas or any of its

1-39 agencies, departments, boards, political subdivisions, or other

1-40 entities.

1-41 Sec. 8513.0102. NATURE OF AUTHORITY. (a) The authority is

1-42 a conservation and reclamation district under Section 59, Article

1-43 XVI, Texas Constitution.

1-44 (b) The authority's creation is essential to accomplish the

1-45 purposes of Section 59, Article XVI, Texas Constitution, including:

1-46 (1) construction, maintenance, and operation of

1-47 navigable canals and waterways; and

1-48 (2) control of the waters of all rivers, streams, and

1-49 tributaries of rivers and streams inside the authority.

1-50 Sec. 8513.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-51 All land included in the authority will benefit by the exercise of

1-52 power conferred by this chapter.

1-53 Sec. 8513.0104. REVIEW SCHEDULE UNDER SUNSET ACT. A review

1-54 of the authority under Section 325.025, Government Code, shall be

1-55 conducted as if the authority were a state agency scheduled to be

1-56 abolished September 1, 2035, and every 12th year after that year.

1-57 Sec. 8513.0105. TERRITORY. Unless modified under

1-58 Subchapter J, Chapter 49, Water Code, or other law, the authority's

1-59 territory includes all of that part of this state in the boundaries

1-60 of Bexar, Wilson, Karnes, and Goliad Counties.

1-61 Sec. 8513.0106. EFFECT OF CHAPTER ON CERTAIN PERSONS OR

ENTITIES. (a) If any power granted to the authority by this chapter overlaps or conflicts with any power of the Guadalupe-Blanco River Authority, the power granted to the Guadalupe-Blanco River Authority supersedes the power granted to the authority by this chapter, unless the Guadalupe-Blanco River Authority consents to the authority's exercise of the power.

(b) No provision of this chapter divests any person of any vested:

- (1) riparian right;
- (2) right derived under an existing permit for the appropriation and use of public waters issued by the commission; or
- (3) right derived under any certified filing with the commission.

Sec. 8513.0107. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Sec. 8513.0108. CORRECTION OF INVALID PROCEDURES. If the board determines that any procedure under this chapter violates the Texas Constitution or the United States Constitution, the board by ordinance may provide an alternative procedure that conforms with the constitution.

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8513.0201. DIRECTORS; TERMS; QUALIFICATIONS. (a) The board consists of 12 directors elected as follows:

- (1) two directors elected at large from Goliad County;
- (2) two directors elected at large from Karnes County;
- (3) two directors elected at large from Wilson County;
- (4) two directors elected at large from Bexar County;

and

- (5) one director elected from each single-member district representing the four county commissioner precincts in Bexar County.

(b) Directors serve staggered four-year terms. An elected director's term begins January 1 following the date of the director's election.

(c) A director must:

- (1) be at least 21 years of age;
- (2) reside within the authority;
- (3) reside in the county from which the director is elected or appointed; and
- (4) possess the qualifications of a juror.

(d) A director elected from a single-member district must reside in the district from which the director is elected.

Sec. 8513.0202. DIRECTOR ELECTIONS. (a) The authority shall hold an election to elect the appropriate number of directors on the uniform election date in November of each odd-numbered year.

(b) The placing of the names of the candidates on the ballots shall be determined by lot. A candidate or a designated representative of the candidate may be present at the drawing.

(c) In the event of a tie for any director position, the winner shall be determined by a majority of the board.

(d) Directors serving from single-member districts at the time new single-member districts are adopted shall serve for the remainder of the terms to which they were elected regardless of the redistricting.

Sec. 8513.02025. CERTAIN DIRECTOR TERMS. (a) This section applies only to the term of a director who is appointed or elected on or after May 24, 2023.

(b) The two at-large director positions for Bexar County shall be scheduled for election on the November uniform election date in 2023. The person who receives the highest number of votes shall be elected to the first at-large Bexar County director position and shall serve a four-year term beginning January 1, 2024, and ending December 31, 2027. An election shall be scheduled for that position on the November uniform election date in 2027 and every four years thereafter. The person who receives the second highest number of votes shall be elected to the second at-large Bexar County director position and shall serve a two-year term beginning January 1, 2024, and ending December 31, 2025. An election shall be scheduled for that position on the November

uniform election date in 2025 and every four years thereafter for a four-year term beginning on January 1 of the year following each election.

(c) The following director positions shall be scheduled for election on the November uniform election date in 2025 and every four years thereafter, and the directors elected to each position shall serve four-year terms beginning January 1 of the year following each election:

(1) the single-member district director elected from Bexar County commissioners court precinct 1;

(2) the single-member district director elected from Bexar County commissioners court precinct 2;

(3) the at-large director position for Karnes County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019;

(4) the at-large director position for Goliad County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019; and

(5) the at-large director position for Wilson County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019.

(d) The following director positions shall be scheduled for election on the November uniform election date in 2027 and every four years thereafter, and the directors elected to those director positions shall serve four-year terms beginning January 1 of the year following each election:

(1) the single-member district director elected from Bexar County commissioners court precinct 3;

(2) the single-member district director elected from Bexar County commissioners court precinct 4;

(3) the at-large director position for Karnes County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021;

(4) the at-large director position for Goliad County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021; and

(5) the at-large director position for Wilson County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021.

(e) The members of the board of directors serving in the director positions described by Subsections (b), (c), and (d) on May 23, 2023, shall continue to serve until their successors have been elected and qualified.

(f) This section expires September 1, 2029.

Sec. 8513.0203. SUSPENSION AND REMOVAL. (a) A director or officer may be suspended or removed from office for:

(1) incompetency;

(2) official misconduct;

(3) official gross negligence;

(4) habitual drunkenness; or

(5) nonattendance at six consecutive regular board meetings.

(b) A director or officer may not be suspended or removed from office unless:

(1) charges against the director or officer are filed in writing; and

(2) the director or officer is given an opportunity for a fair hearing before the board.

(c) An affirmative vote of not fewer than eight of the directors is required to suspend or remove a director or officer.

Sec. 8513.0204. VACANCY. The governor, with the advice and consent of the senate, shall fill a vacancy on the board for the unexpired term.

Sec. 8513.0205. BYLAWS. The board shall adopt bylaws for the management of the authority's affairs.

Sec. 8513.0206. ORDINANCES. (a) The board may, by a majority and to the extent necessary to exercise the authority's powers and rights, adopt an ordinance:

(1) not adequately provided by Chapter 49 or 51, Water

Code;

(2) germane and appropriate to the accomplishment and purposes of this chapter; and

(3) consistent with a specific power conferred on a county, municipality, water improvement district, water control and improvement district, drainage district, navigation district, canal corporation, channel and dock corporation, deep water corporation, railway corporation, terminal railway corporation, telegraph and telephone corporation, or other similar entity.

(b) The board is not required to provide notice before adopting an ordinance, except as otherwise required for a regular or special board meeting.

(c) The board:

(1) shall file an adopted ordinance in the authority's official records; and

(2) may, if the board considers it necessary and proper:

(A) file certified copies of the ordinance in the office of the county clerk in each county in the authority where the ordinance applies; or

(B) publish the ordinance at least once per week for two weeks in a newspaper of general circulation in each county where the ordinance applies.

(d) An adopted ordinance takes effect after the filing requirements of Subsection (c) are met.

(e) After an ordinance takes effect, a county clerk with whom a certified copy of the ordinance is filed under Subsection (c)(2)(A) shall record the certified copy. The county clerk shall charge the same fee for recording the certified copy as for recording a deed of conveyance.

(f) An ordinance granting a power or mode of procedure adopted under this section does not limit the accomplishment of the purposes of this chapter.

Sec. 8513.0207. BOND REQUIREMENT FOR DIRECTORS AND OFFICERS. (a) Not later than the 15th day after the date of an election or appointment of a director or officer, the director or officer shall file a good and sufficient bond with the board secretary.

(b) The bond must be:

(1) in the amount of \$5,000;

(2) payable to the authority;

(3) conditioned on the faithful performance of duties as a director or officer; and

(4) subject to approval by the board secretary.

Sec. 8513.0208. FILING OF OATH. Before assuming the duties of office, each director shall file with the board secretary a copy of the constitutional oath of office taken by the director.

Sec. 8513.0209. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive reimbursement for reasonable expenses and an allowance as provided under Section 49.060, Water Code.

(b) A director is not entitled to receive a per diem allowance for more than 60 days in a fiscal year.

(c) In all areas of conflict with this section, Section 49.060, Water Code, takes precedence.

Sec. 8513.0210. CERTAIN INTERESTS PROHIBITED. (a) A director may not engage in a transaction with the authority for gain or profit.

(b) An officer of the authority may not have any interest, direct or indirect, in any contract awarded by the authority.

Sec. 8513.0211. OFFICERS. (a) The board shall appoint by majority vote a chair, a vice chair, a secretary, a treasurer, and other officers or assistant officers the board considers necessary.

(b) The chair, the vice chair, the secretary, and the treasurer must each be a director. Assistant officers are not required to be directors.

(c) An officer shall serve a term of two years.

(d) A non-director assistant officer:

(1) holds office at the pleasure of the board; and

(2) may be granted limited powers in the authority

bylaws.

(e) The authority may appoint officers, prescribe their duties, and set their compensation.

Sec. 8513.0212. DIRECTOR TRAINING PROGRAM. (a) A person who is elected or appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing authority operations;

(2) the authority's programs, functions, rules, and budget;

(3) the scope of and limitations on the board's rulemaking authority;

(4) the results of the authority's most recent formal audit;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B) other laws applicable to members of the governing body of a river authority in performing their duties; and

(6) any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c) A person elected or appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The manager of the authority shall create a training manual that includes the information required by Subsection (b). The manager shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the manager a statement acknowledging that the director has received and reviewed the training manual.

Sec. 8513.0213. MEETINGS. (a) Regular and special board meetings shall be held as provided by general law and the bylaws.

(b) Notice of regular and special board meetings shall be given as required by general law and the bylaws.

(c) All meetings of the board shall be open to the public.

Sec. 8513.0214. POLICIES TO SEPARATE POLICY-MAKING AND STAFF FUNCTIONS. The board shall develop and implement policies that clearly separate the board's policy-making responsibilities and the management responsibilities of the manager and authority staff.

Sec. 8513.0215. AGENTS, EMPLOYEES, AND PROFESSIONAL CONSULTANTS. (a) The authority may appoint agents, employees, and professional consultants, prescribe their duties, and set their compensation.

(b) An agent, employee, or professional consultant may not have any interest, direct or indirect, in any contract awarded by the authority.

Sec. 8513.0216. MANAGER. (a) The board may employ a manager to be the authority's chief executive officer.

(b) The board shall set the compensation to be paid to the manager.

(c) The manager shall employ and supervise, subject to policies promulgated by the board, all employees, agents, accountants, attorneys, engineers, and others rendering professional services necessary to accomplish the purposes of this chapter.

(d) The manager may execute on behalf of the authority, without specific board authorization, a contract for which competitive bidding is not required. The manager may execute any other contract with specific board authorization.

Sec. 8513.0217. AUTHORITY'S DOMICILE AND OFFICE. The general office and place of domicile of the authority shall be in the City of San Antonio, Bexar County.

Sec. 8513.0218. COMPLAINTS. (a) The authority shall

maintain a system to act promptly and efficiently on complaints filed with the authority.

(b) The authority shall maintain information about:

- (1) the parties to the complaint;
- (2) the subject matter of the complaint;
- (3) a summary of the results of the review or investigation of the complaint; and
- (4) the complaint's disposition.

(c) The authority shall periodically notify the parties to the complaint of the complaint's status until final disposition unless the notice would jeopardize an investigation.

(d) The authority shall make information available describing its procedures for complaint investigation and resolution.

Sec. 8513.0219. PUBLIC TESTIMONY AT BOARD MEETINGS. The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the authority.

Sec. 8513.0220. CONTRACT WITH BEXAR COUNTY. (a) This section applies only to a contract between the authority and the Commissioners Court of Bexar County entered into before May 26, 1961, to finance the construction of certain flood control and soil conservation works of improvement in Bexar County.

(b) Except as provided by Subsection (c), the authority may not spend any income or revenue derived from the contract for a purpose other than a purpose specifically provided for by the contract.

(c) The board may allocate a reasonable amount of income or revenue derived from the contract to pay for:

- (1) authority overhead costs;
- (2) operational costs; and
- (3) fees of directors who reside in Bexar County.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8513.0301. GENERAL POWERS. (a) The authority shall:

- (1) administer this chapter; and
- (2) use the authority's facilities and powers to accomplish the purposes of this chapter.

(b) The authority may:

- (1) exercise the powers, rights, privileges, and functions in this chapter;
- (2) exercise all powers, rights, privileges, and functions necessary or convenient for accomplishing the purposes of this chapter; and
- (3) perform any other act necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred by this chapter or other law.

(c) The authority has the powers and rights and is subject to the regulations for government and procedure contained in Chapters 49 and 51, Water Code.

(d) The authority may spend any amount reasonably necessary or expedient for seeking cooperation from the federal government or any other person in accomplishing the purposes of this chapter.

Sec. 8513.0302. TITLE AND RIGHT OF CONTROL; TRUST. (a) The authority is vested with such title and right of control to the extent the state has, or may have, title and right of control of:

- (1) the natural bed and banks of the entirety of the San Antonio River;
- (2) a tributary of the San Antonio River inside the authority; and
- (3) the natural beds and banks of any navigable stream or tributary inside the authority.

(b) The authority's title and right of control shall be in trust for the accomplishment of the purposes of this chapter.

(c) The authority may use or dispose of land or rights, including any proceeds, income, revenue, or trading values received from the use or disposition, that may be reasonably required for or aid the accomplishment of the purposes of this chapter.

Sec. 8513.0303. POWERS RELATING TO CONSERVATION AND BENEFICIAL USE OF WATER. (a) The authority has the powers of this

state under Section 59, Article XVI, Texas Constitution, to:

(1) effectuate:

(A) the construction, maintenance, and operation of navigable canals or waterways;

(B) flood control;

(C) the conservation and use of ground, storm, flood, and unappropriated flow waters in the authority for all beneficial purposes;

(D) irrigation;

(E) soil conservation;

(F) sewage treatment;

(G) pollution prevention; and

(H) forestation and reforestation;

(2) encourage and develop parks and recreational facilities;

(3) preserve fish; and

(4) do all things that are required to accomplish the purposes of this section.

(b) The powers described by Subsection (a) are subject only to:

(1) the legislature's policy declarations regarding water use;

(2) the commission's continuing supervision and control;

(3) the provisions of Section 11.024, Water Code, prescribing the priorities of water uses; and

(4) the water rights acquired by municipalities and other users.

(c) The authority shall store and conserve to the greatest beneficial use the storm, flood, and unappropriated flow waters of any river or stream or tributary of a river or stream within the authority to prevent the escape of water without maximum beneficial use inside or outside the authority's boundaries.

Sec. 8513.0304. POWERS REGARDING CANALS, WATERWAYS, AND RELATED FACILITIES. The authority may:

(1) promote, construct, maintain and operate, make practicable, or aid and encourage the construction, maintenance, and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways using the natural bed and banks of the San Antonio River, where practicable, and then traversing a route the authority may find to be more feasible and practicable to connect the San Antonio River with any new navigable canals to be constructed in the lower reaches of the San Antonio River or to connect the San Antonio River with the Gulf Intracoastal Waterway, the San Antonio Bay, or the Gulf of Mexico;

(2) construct a system of artificial waterways and canals, together with all locks and other works, structures, and artificial facilities as may be necessary and convenient for the construction, maintenance, and operation of:

(A) navigable canals or waterways; and

(B) all navigational systems and facilities auxiliary to navigable canals or waterways; and

(3) in the case of construction of navigable canals or waterways and all auxiliary navigational systems or facilities by the federal government or otherwise:

(A) construct, maintain, and operate lateral connecting canals and turning basins to serve local needs; and

(B) provide, construct, acquire, take over, maintain, operate, develop, lease, regulate, or by franchise control wharves, docks, warehouses, grain elevators, bunkering facilities, belt or terminal railroads, floating plants, lighterage, towing facilities, and all other facilities incident to or in aid of the efficient operation and development of canals or waterways and all navigational systems or auxiliary facilities and ports, whether on land or water.

Sec. 8513.0305. FEDERALLY CONSTRUCTED OR MAINTAINED CANALS, WATERWAYS, AND FACILITIES. If the construction or maintenance and operation of navigable canals or waterways and all

8-1 navigation systems or facilities auxiliary to navigable canals or
 8-2 waterways on the San Antonio River is taken over by the federal
 8-3 government or an agency of the federal government, the authority
 8-4 may:

8-5 (1) enter into contracts that may be required by the
 8-6 federal government, including assignments and transfers of
 8-7 property, property rights, easements, and privileges; and

8-8 (2) take any other action required by the federal
 8-9 government or an agency of the federal government.

8-10 Sec. 8513.0306. POWER TO CONTROL, DEVELOP, STORE, AND USE
 8-11 WATER FOR NAVIGATIONAL USE. (a) The authority may control,
 8-12 develop, store, and use the natural flow and floodwaters of the San
 8-13 Antonio River and its tributaries for the purpose of operating and
 8-14 maintaining:

8-15 (1) navigable canals or waterways; and

8-16 (2) navigational systems or facilities auxiliary to
 8-17 navigable canals or waterways.

8-18 (b) The navigational use of water authorized by Subsection
 8-19 (a) is subordinate and incidental to consumptive use of water.

8-20 Sec. 8513.0307. POWERS RELATING TO PARKS, RECREATIONAL
 8-21 FACILITIES, AND PRESERVATION OF FISH AND WILDLIFE. (a) The
 8-22 authority may acquire:

8-23 (1) additional land adjacent to a permanent
 8-24 improvement constructed inside the authority for the purpose of
 8-25 developing parks or recreational facilities; and

8-26 (2) necessary rights-of-way to construct, operate,
 8-27 and maintain roads necessary for ingress and egress to an area
 8-28 described by Subdivision (1) or to a fish or wildlife preserve or
 8-29 reserve.

8-30 (b) The authority may provide recreational facilities and
 8-31 services and may enter into a contract or agreement with any person
 8-32 for the operation or maintenance of a park or recreational
 8-33 facility.

8-34 (c) The preservation of fish shall be in accordance with any
 8-35 rules prescribed by the Parks and Wildlife Department.

8-36 Sec. 8513.0308. POWERS RELATING TO FLOOD CONTROL AND FLOOD
 8-37 PLAIN MANAGEMENT. (a) The authority shall prevent and aid in the
 8-38 prevention of damage to persons and property by the overflow of any
 8-39 rivers, streams, or tributaries of those rivers and streams within
 8-40 the authority.

8-41 (b) The authority may study, designate, and regulate flood
 8-42 plains within the authority.

8-43 Sec. 8513.0309. ACQUISITION OF WATER OR WATER RIGHTS. (a)
 8-44 The authority may acquire water appropriation permits or certified
 8-45 filings within or outside the authority directly from the
 8-46 commission or from permit owners.

8-47 (b) The authority may purchase water, water supply
 8-48 facilities, or conservation storage capacity from any person.

8-49 Sec. 8513.0310. GENERAL WATER SUPPLY POWERS. (a) The
 8-50 authority, inside or outside its boundaries, may:

8-51 (1) construct, acquire, equip, acquire storage rights
 8-52 at, operate, or maintain a dam or reservoir;

8-53 (2) construct, operate, maintain, or otherwise
 8-54 provide water supply lines, water purification, and water pumping
 8-55 systems and facilities;

8-56 (3) provide water supply for municipalities,
 8-57 including selling water and standby service to any person;

8-58 (4) provide water for irrigation of lands and the
 8-59 development of commercial and industrial enterprises; and

8-60 (5) acquire storage capacity in any dam constructed or
 8-61 to be constructed by or with the assistance of this state or the
 8-62 United States from any person, this state, or the United States.

8-63 (b) The authority may bring water into the authority.

8-64 (c) It is the intent of this chapter that the authority is
 8-65 primarily concerned with the conservation, control, storage,
 8-66 distribution, and sale of water in bulk quantities in the public
 8-67 interest and only incidentally with the retail sale of water
 8-68 insofar as it does not compete with municipal water distributors
 8-69 and then only when necessary or convenient as a service to the

public.

Sec. 8513.0311. CONTRACTS TO SUPPLY WATER AND OPERATE FACILITIES. (a) The authority may contract with a user of water inside or outside the authority for services for which the authority may charge, including standby service and delivery of water.

(b) The authority may contract with any person in the manner provided by Section 552.020, Local Government Code, for:

(1) constructing:

(A) reservoirs;

(B) dams;

(C) water supply lines; and

(D) water purification and pumping facilities;

and

(2) furnishing water supply service.

(c) A contract under Subsection (b) may provide for the operation, maintenance, and ownership of property subject to the contract.

Sec. 8513.0312. POWERS RELATING TO SOIL CONSERVATION. (a) The authority may act as a local sponsoring agent for or otherwise aid and supplement upstream soil and water conservation and flood prevention projects authorized by a state or federal agency in conjunction with a soil and water conservation district.

(b) The authority may make arrangements satisfactory to the United States Secretary of Agriculture to defray the cost of maintaining or operating a project under Subsection (a). An arrangement made under this section must be in accordance with regulations presented by the secretary of agriculture.

(c) Any portion of the total construction costs of a project described by Subsection (a) allocable to flood control or soil conservation shall be paid for or financed by money originating in the county in which the project is situated. The money may be of any kind, except from a tax imposed under Subchapter F.

Sec. 8513.0313. WASTE MANAGEMENT. (a) As a necessary aid to the conservation, control, preservation, purification, and distribution of surface water and groundwater within the authority, the authority may, within the San Antonio River Basin:

(1) construct, own, operate, maintain, or otherwise provide sewage gathering, treatment, and disposal services, including solid waste disposal services;

(2) charge for services described by Subdivision (1); and

(3) make contracts with counties, municipalities, and others regarding services described by Subdivision (1) or charges described by Subdivision (2).

(b) The authority may not exercise the powers described by Subsection (a) in Kerr, Real, or Bandera County unless consented to by a majority vote of the commissioners court of that county.

Sec. 8513.0314. POLLUTION PREVENTION. (a) The authority may study, correct, and control pollution, including natural, artificial, organic, inorganic, and thermal pollution, of the groundwater and surface water within the San Antonio River Basin.

(b) The authority may not adopt or enforce an ordinance regarding pollution in any county outside the authority's boundaries.

Sec. 8513.0315. FORESTATION AND REFORESTATION. The authority may forest, reforest, or aid in foresting or reforesting of all areas within the authority.

Sec. 8513.0316. GENERAL AUTHORITY TO MAKE CONTRACTS AND EXECUTE INSTRUMENTS. The authority may enter into a contract or execute an instrument necessary or convenient to exercising a power, right, privilege, or function conferred on the authority by this chapter.

Sec. 8513.0317. AWARD OF CERTAIN WATER SUPPLY CONTRACTS. (a) This section applies to:

(1) a wholesale contract for:

(A) the sale, purchase, procurement, distribution, or supply of water or conservation storage capacity; or

(B) construction of a navigable canal or waterway; or

(2) a contract authorized under Section 561.003, Local Government Code.

(b) Before entering into a contract under this section, the manager shall publish notice describing the general nature of the contract in a newspaper of general circulation in each county within the authority where the contract is to have effect.

(c) The board may consider and act on a contract at any regular board meeting following the last date of publication of notice required under this section.

(d) The board shall confirm or ratify a contract by a majority vote.

(e) A contract may be the sole basis or a supplement to the basis for securing a bond of the authority.

Sec. 8513.0318. AWARD OF CERTAIN CONSTRUCTION AND SERVICE CONTRACTS. (a) The board shall award any construction, maintenance, operation, or repair contract, contract for the purchase of material, equipment, or supplies, or contract for services if the contract will require an estimated expenditure of more than the maximum amount for which competitive bidding is required by Chapter 49, Water Code, to the lowest and best bidder.

(b) The board:

(1) shall:

(A) before awarding a contract under this section, publish notice to bidders once each week for two consecutive weeks; and

(B) adopt bylaws for the publication of notice to bidders and any related procedures; and

(2) may prescribe the amount of estimated expenditures subject to competitive bidding.

(c) In the event of an emergency, the authority may award a contract necessary to protect and preserve the public health and welfare or the authority's property without using bidding procedures.

(d) A director is ineligible to submit a bid for a contract under this section.

(e) Notwithstanding this section, the authority may:

(1) purchase surplus property from the United States by negotiated contract and without advertising for bids; and

(2) use any procurement method under:

(A) Chapter 49, Water Code; or

(B) other applicable general law.

(f) This section does not apply to a purchase contract, a procurement contract, or a contract described by Section 49.278, Water Code.

Sec. 8513.0319. ACQUISITION, MAINTENANCE, AND OPERATION OF PROPERTY; EMINENT DOMAIN. (a) The authority may acquire by purchase, lease, gift, or any other manner and maintain, use, and operate property of any kind inside or outside the authority necessary to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter and by the exercise of the power of eminent domain in the manner provided by Subsection (b).

(b) The authority may exercise the power of eminent domain in the manner provided by the general law applicable to a district created under Section 59, Article XVI, Texas Constitution.

(c) The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Sec. 8513.0320. PRELIMINARY INVESTIGATIONS AND SURVEYS. (a) The authority may make preliminary investigations and surveys in the manner and for the purposes specified in Chapters 49 and 51, Water Code, or other applicable general law.

(b) The authority may make a preliminary investigation or survey independently at its own cost or jointly with others or may contribute to the cost of a preliminary investigation or survey

made by another.

(c) For purposes of procuring cooperation by the federal government, any project lawfully within the scope of the purposes of this chapter may be approved for construction as a federal project under such contractual terms as may be demanded by the United States Congress.

Sec. 8513.0321. SALE, LEASE, MORTGAGE, OR OTHER DISPOSITION OF AUTHORITY PROPERTY. (a) The authority may not:

(1) mortgage or otherwise encumber authority property of any kind, or any interest in authority property; or

(2) acquire any property or interest in property subject to a mortgage or conditional sale.

(b) Subsection (a) does not prevent pledging authority revenue or income of any kind, except an ad valorem tax imposed by the authority under Section 8513.0601.

(c) This chapter does not authorize the sale, lease, or other disposition of authority property of any kind, or an interest in authority property, by the authority or a receiver of any authority property unless authorized under this chapter or applicable general law.

(d) Notwithstanding Subsection (c), the authority may sell or otherwise dispose of authority property of any kind, or an interest in authority property, if the board, by the affirmative vote of a majority of members of the board present at a regular or special meeting, determines that the property or interest is not convenient to the business of the authority and is surplus.

(e) The board shall publish notice of a proposed sale once each week for two consecutive weeks in a newspaper of general circulation in the county or counties where the property or interest is located if:

(1) the appraised value of the property or interest exceeds \$5,000; and

(2) the property or interest is not partial or total consideration in a transaction for the exchange of property.

(f) Authority property is exempt from forced sale. The sale of authority property under a judgment rendered in a suit is prohibited.

Sec. 8513.0322. OVERFLOW OR INUNDATION OF PUBLIC PROPERTY; RELOCATION OF ROADS. The authority may overflow and inundate any public land or public property and require the relocation of a road or highway in the manner and to the extent permitted to a district organized under general law pursuant to Section 59, Article XVI, Texas Constitution.

Sec. 8513.0323. COST OF RELOCATING OR ALTERING PROPERTY. If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a railroad or street railway, the necessary action shall be accomplished at the authority's sole expense.

Sec. 8513.0324. CONSTRUCTION, MAINTENANCE, AND OPERATION OF FACILITIES. The authority may construct, extend, improve, maintain, and reconstruct, cause to be constructed, extended, improved, maintained, and reconstructed, and use and operate facilities of any kind necessary or convenient to the exercise of the authority's powers, rights, privileges, and functions.

Sec. 8513.0325. FRANCHISES AND RIGHTS RELATING TO NAVIGABLE CANALS AND WATERWAYS. (a) The authority may grant a franchise or right to any person for the use of navigable canals or waterways and all auxiliary navigational systems or facilities to aid navigation of navigable canals or waterways of the San Antonio River.

(b) Unless granted a franchise by the authority, a person may not provide, maintain, or operate a facility or aid of navigation connected with a navigable canal or waterway described by Subsection (a) or an auxiliary navigational system or facility that is intended for public use.

(c) The board may grant a franchise by ordinance. A franchise:

(1) may not exceed a term of 50 years; and

(2) may be for the design, construction, repair, enlargement, alteration, maintenance, operation of, and service from or use of any facility to be provided for use in navigation on navigable canals or waterways and all auxiliary navigational systems or facilities, whether on land or in or on water.

(d) An ordinance granting a franchise:

(1) must:

(A) contain provisions:

(i) adequate to regulate the fees, tolls, rates, or exactions to be demanded for the use of, or service to be rendered by any means or facility to be provided or operated under, the franchise; and

(ii) reasonably required to procure service adequate to serve the public necessity and convenience; and

(B) be uniform, reasonable, and without discrimination against any person with regard to any charges or conditions of use or service; and

(2) may:

(A) contain provisions for the payment of reasonable fees or other charges to be paid to the authority; and

(B) provide reasonable and commensurate penalties as provided by Section 49.004, Water Code, to procure observance of the conditions of a franchise granted or compliance with the rules established by the ordinance.

(e) The board may:

(1) require uniform and adequate analytic accounting systems and forms and periodic reports based on those systems and forms;

(2) audit a franchise holder;

(3) provide for other reasonable regulations designed to protect the public; and

(4) by ordinance:

(A) establish rules necessary or designed to:

(i) protect physical property owned by the authority or owned or operated by a franchise holder; or

(ii) effect the safety or efficient use of property described by Subparagraph (i); and

(B) provide for reasonable and commensurate penalties for a violation of this section, as provided by Section 49.004, Water Code.

(f) Unless otherwise provided, a franchise granted under this section may be revoked or suspended only by order of a district court within the county in which the authority may maintain its general office.

Sec. 8513.0326. CONCESSIONS AND FRANCHISES RELATING TO WORKS OF IMPROVEMENT, PARKS, RECREATIONAL FACILITIES, AND FISH OR WILDLIFE PRESERVES AND RESERVES. The authority may grant to any person a concession or franchise on the premises of any work of improvement, park, recreational facility, or fish or wildlife preserve or reserve.

Sec. 8513.0327. OFFICIAL NEWSPAPER. The authority may designate an official newspaper in each county in the authority. An official newspaper must have general circulation in the county in which the newspaper is situated.

Sec. 8513.0328. AUTHORITY CONSTABULARY. (a) The authority may constitute and maintain an independent constabulary.

(b) A constabulary constituted under this section is subject to the oath and bond requirements of a county sheriff under Section 85.001, Local Government Code.

(c) A constabulary shall police authority property and facilities controlled by the authority.

(d) A constabulary may make arrests:

(1) to prevent injury to authority property and facilities controlled by the authority or for a violation of a penal ordinance of the authority; and

(2) inside or outside the authority, upon complaint or indictment for a violation of a penal ordinance of the authority.

Sec. 8513.0329. STATE SUPERVISION AND APPROVAL. (a) The commission shall cooperate with the authority to:

(1) make investigations and plans; and
 (2) to the extent provided by Subsection (b), approve
investigations and plans for improvements provided by the
authority.

(b) This section applies only to commission approval of
plans that are appropriate under general law.

(c) Except for a plan regarding the use of water that is
permitted by the state, a plan for improvements adopted by the
federal government controls.

Sec. 8513.0330. COORDINATION WITH NONPROFIT ORGANIZATION.
 (a) In this section, "affiliated nonprofit organization" means a
nonprofit organization:

(1) created by the authority; or
 (2) for which the authority, board, or authority
employees have a right to appoint one or more of the members of the
nonprofit organization's governing body.

(b) The authority may contract or otherwise coordinate with
a nonprofit organization, including an affiliated nonprofit
organization, to accomplish the purposes of the authority.

(c) Directors may not constitute a majority of the board of
directors or other governing body of an affiliated nonprofit
organization. An authority employee may not serve on the board of
directors or other governing body of an affiliated nonprofit
organization.

(d) The board shall develop a policy regarding fund-raising
activities of a nonprofit organization that enters into a contract
or otherwise coordinates with the authority. The policy must:

(1) include acceptable and prohibited fund-raising
activities;

(2) specify how fund-raising is conducted and
supervised; and

(3) include criteria for seeking and selecting
corporate sponsors to ensure that sponsorships serve the public
interest and are consistent with the purposes of the authority.

(e) A memorandum of understanding between the authority and
an affiliated nonprofit organization entered into under this
section must include the policy developed under Subsection (d).

SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW PROVISIONS

Sec. 8513.0401. ADOPTION OF RULES. The authority may by
ordinance adopt reasonable rules to:

(1) carry out this chapter;
 (2) protect and secure authority property and works of
improvement; and

(3) regulate pollution, residence, hunting, fishing,
boating, and camping, and any other recreational and business
privileges on any navigable river or reservoir in the authority or
on any land owned by the authority.

Sec. 8513.0402. ENFORCEMENT OF RULES; PENALTY. The
authority by rule may prescribe reasonable and commensurate
penalties for the violation of an authority rule, as provided by
Section 49.004, Water Code.

Sec. 8513.0403. NOTICE OF RULE PROVIDING PENALTY. (a) If
the authority adopts a rule that provides a penalty, the authority
must publish a substantive statement of the rule and the penalty
once a week for two consecutive weeks in a newspaper of general
circulation in each county in which the rule applies.

(b) The substantive statement must be as condensed as
possible so that the act prohibited by the rule can be easily
understood.

(c) The substantive statement may include notice of any
number of rules.

(d) The notice must state that:
 (1) a person who violates the rule is subject to a
penalty; and

(2) the rule is on file in the authority's principal
office, where the rule may be read by any interested person.

(e) A rule takes effect on the fifth day after the date of
the second publication of the statement under this section.

14-1 Sec. 8513.0404. JUDICIAL NOTICE OF RULES. A court shall
 14-2 take judicial notice of a rule adopted under this subchapter and
 14-3 published as required by Section 8513.0403.

14-4 Sec. 8513.0405. RECOVERY OF LITIGATION COSTS. Section
 14-5 49.004, Water Code, governs the recovery of costs incurred by the
 14-6 authority in any suit by the authority to enforce its rules.

14-7 Sec. 8513.0406. APPEAL BOND NOT REQUIRED. The authority is
 14-8 not required to give bond on any appeal from judgment in any court.

14-9 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

14-10 Sec. 8513.0501. OBLIGATION PAYABLE. A debt, liability, or
 14-11 obligation of the authority for the payment of money, however
 14-12 entered into or incurred and whether arising from an express or
 14-13 implied contract or otherwise, is payable solely:

14-14 (1) out of the revenue received by the authority with
 14-15 respect to its properties; or

14-16 (2) from any other money or income from any source
 14-17 coming into the authority's possession, including proceeds of sale
 14-18 of bonds.

14-19 Sec. 8513.0502. FISCAL YEAR. The authority's fiscal year
 14-20 ends on September 30 of each year.

14-21 SUBCHAPTER F. TAX PROVISIONS

14-22 Sec. 8513.0601. AUTHORITY TO IMPOSE AD VALOREM TAX. (a)
 14-23 The authority may impose an ad valorem tax throughout the territory
 14-24 of the authority at a rate not to exceed the rate approved at an
 14-25 election held in accordance with Section 8513.0602 for:

14-26 (1) the maintenance of the authority and its
 14-27 improvements;

14-28 (2) general administration; or

14-29 (3) planning and other services with respect to any of
 14-30 the purposes, rights, privileges, and functions of the authority.

14-31 (b) The tax may not:

14-32 (1) be used to pay for or finance:

14-33 (A) the construction of a dam, reservoir, levee,
 14-34 channel, pipeline, or other major physical work of the authority;

14-35 (B) the cost or expenses of a right-of-way
 14-36 acquisition; or

14-37 (C) damages awarded by a court for a suit brought
 14-38 under Section 17, Article I, Texas Constitution; or

14-39 (2) be pledged to any issue of or the redemption of
 14-40 bonds authorized under Section 8513.0702.

14-41 Sec. 8513.0602. ELECTION FOR AD VALOREM TAX. (a) The board
 14-42 may impose an ad valorem tax within the maximum tax rate approved at
 14-43 the election for a purpose authorized by this subchapter if the tax
 14-44 is approved at an election held in the authority by a majority of
 14-45 the votes cast:

14-46 (1) throughout the authority; and

14-47 (2) in any three counties in the authority.

14-48 (b) The election must be ordered by ordinance of the board.
 14-49 The ordinance must include for each applicable county in the
 14-50 authority the polling places in that county where the election is to
 14-51 be held.

14-52 Sec. 8513.0603. PUBLIC HEARING; NOTICE. (a) If the board
 14-53 orders an election under Section 8513.0602, the board must hold a
 14-54 public hearing in each county in the authority to discuss the
 14-55 proposed tax issue.

14-56 (b) Each public hearing must be held:

14-57 (1) not less than 10 days before the date of the
 14-58 scheduled election; and

14-59 (2) not more than 25 days before the date of the
 14-60 scheduled election.

14-61 (c) Notice of the public hearing must be given by publishing
 14-62 the notice in at least one newspaper of general circulation in each
 14-63 county where the hearing is to be held. The notice must:

14-64 (1) be published at least 10 days before the date of
 14-65 the hearing; and

14-66 (2) include the time, day, date, place, and purpose of
 14-67 the hearing.

14-68 Sec. 8513.0604. MAXIMUM TAX RATE. The maximum rate of the
 14-69 tax that may be imposed under this subchapter for any year is two

cents on each \$100 of assessed valuation of taxable property.

Sec. 8513.0605. ASSESSMENT AND COLLECTION OF TAXES. (a)
The authority's tax rate shall be uniform throughout the territory of the authority. The chair and secretary of the board shall certify the tax rate to the assessor-collector of each included county.

(b) The fee of each county tax assessor-collector for assessing and collecting the authority's taxes may not exceed two percent of the taxes collected, to be paid over and disbursed in each county in the same manner as other fees of office.

Sec. 8513.0606. LEGISLATIVE INTENT. It is the intent of the legislature that:

(1) an ad valorem tax imposed by the authority:

(A) enables the authority to accomplish its purposes, including the maximum development of the authority's soil and water resources, it being hereby found and determined that the benefits to be realized from the maximum development can be obtained only through area-wide participation and planning; and

(B) may be used to pay for the operation, repair, or maintenance of any flood control, soil conservation, watershed protection, or erosion structure or work of improvement constructed in cooperation with the federal government, provided that any operation, repair, or maintenance cost shall be paid for out of taxes thus collected in the county in which the particular structure or work of improvement is situated; and

(2) the construction of any dam, reservoir, levee, channel, pipeline, or other major physical work of the authority shall be paid for or financed by revenue bonds of the authority to be redeemed either by the sale of services or by taxes to be imposed by a county or municipality and paid over to the authority as an independent contractor of the county or municipality.

Sec. 8513.0607. APPLICABILITY OF SUBCHAPTER. This subchapter does not apply to a tax imposed under Subchapter H.

SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

Sec. 8513.0701. BORROWED MONEY AND GRANTS. (a) The authority may:

(1) borrow money for the authority's corporate purposes;

(2) execute proper notes and other evidence of indebtedness;

(3) borrow money or accept a grant from the United States or this state and, in connection with the loan or grant, enter into any agreement the United States or the corporation or agency may require;

(4) make and issue bonds for money borrowed, in the manner and to the extent provided by Sections 8513.0702, 8513.0703, 8513.0704, 8513.0705, and 8513.0706; and

(5) participate in and be the beneficiary of any plan that may be evolved by this state or the United States for guaranteeing or otherwise subsidizing the authority's obligations.

(b) After an ad valorem tax is approved at an election held under Section 8513.0602, the board may borrow money payable from the tax and may evidence the loan by a note given in the authority's name.

Sec. 8513.0702. POWER TO ISSUE BONDS. (a) For the purpose of constructing improvements related to the exercise of any power conferred on the authority by law, the authority may, without an election, issue bonds secured by a pledge of revenues of the authority without reference to their source and with the priority of liens prescribed in the proceedings authorizing the issuance of the bonds.

(b) The bonds must be authorized by a board resolution concurred in by at least eight directors.

Sec. 8513.0703. TERMS OF ISSUANCE. Authority bonds may be:

(1) sold for cash;

(2) issued on terms the board determines in exchange for any property, or any interest in property, that the board considers necessary or convenient for the corporate purpose for which the bonds are issued; or

(3) issued in exchange for principal amounts or other obligations of the authority, whether matured or unmatured.

Sec. 8513.0704. DEPOSIT OF PROCEEDS. The proceeds of sale of authority bonds may be deposited in one or more banks or trust companies and may be paid out according to the terms on which the authority and the purchasers of the bonds agree.

Sec. 8513.0705. RESOLUTION PROVISIONS. (a) A resolution authorizing bonds may contain provisions approved by the board that are not inconsistent with this chapter, including provisions:

(1) reserving the right to redeem the bonds at a time, in an amount, and at a price not to exceed 105 percent of the principal amount of the bonds, plus accrued interest;

(2) providing for the setting aside of sinking funds or reserve funds and the regulation and disposition of those funds;

(3) securing the payment of the principal of and interest on the bonds and of the sinking fund or reserve fund payments associated with the bonds by pledging all or any part of the gross or net revenue subsequently received by the authority from any source;

(4) prescribing the purposes to which the bonds or any bonds subsequently issued, or the proceeds of the bonds, may be applied;

(5) agreeing to set and collect rates and charges sufficient to produce net revenue adequate to pay the items described by Subdivisions (1), (2), and (3), and prescribing the use and disposition of all revenue;

(6) prescribing limitations on the issuance of additional bonds and on the agreements that may be made with the purchasers and successive holders of those bonds;

(7) regarding the construction, extension, improvement, reconstruction, operation, maintenance, and repair of the authority's properties and the carrying of insurance on all or any part of those properties covering:

(A) loss, damage, or loss of use and reconstruction, operation, maintenance, and repair; and

(B) loss, damage, or loss of use and occupancy resulting from specified risks;

(8) setting the procedure by which the authority may change the terms of a contract with the bondholders, the amount of bonds the holders of which must consent to that change, and the manner in which the consent may be given; and

(9) providing for the execution and delivery by the authority to a bank or trust company authorized by law to accept trusts, or to the United States or any officer of the United States, of indentures and agreements for the benefit of the bondholders setting forth any of the agreements authorized by this chapter to be made with or for the benefit of the bondholders and any other provisions that are customary in such indentures or agreements.

(b) A provision authorized by this section that is contained in a bond resolution is part of the contract between the authority and the bondholders.

Sec. 8513.0706. DEFAULT PROCEDURES. (a) This section applies only to a default in:

(1) the payment of the interest on bonds as the interest becomes due and payable;

(2) the payment of the principal of bonds as they become due and payable, whether at maturity, by call for redemption, or otherwise; or

(3) the performance of an agreement made with the purchasers or successive holders of bonds.

(b) A resolution authorizing bonds and any indenture or agreement entered into under the resolution may provide that in the event of a default described by Subsection (a) that continues for a period, if any, prescribed by the resolution, the trustee under the indenture entered into with respect to the bonds authorized by the resolution, or, if there is no indenture, a trustee appointed in the manner provided in the resolution by the holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution and then outstanding, and on the written request of the

holders of 25 percent in aggregate principal amount of the bonds authorized by the resolution then outstanding, shall, in the trustee's own name, but for the equal and proportionate benefit of the holders of all of the bonds, and with or without having possession of the bonds:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the bondholders;

(2) bring suit on the bonds or the appurtenant coupons;

(3) by action or suit in equity, require the authority to account as if it were the trustee of an express trust for the bondholders;

(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders; or

(5) after such notice to the authority as the resolution may provide, declare the principal of all of the bonds due and payable, and if all defaults have been made good, then with the written consent of the holders of 25 percent in aggregate principal amount of the bonds then outstanding, annul the declaration and its consequences.

(c) Notwithstanding Subsection (b), the holders of more than a majority in principal amount of the bonds authorized by the resolution and then outstanding, by written instrument delivered to the trustee, are entitled to direct and control any and all action taken or to be taken by the trustee under this section.

(d) A resolution, indenture, or agreement relating to bonds may provide that in a suit, action, or proceeding under this section, the trustee, whether or not all of the bonds have been declared due and payable and with or without possession of any of the bonds, is entitled to the appointment of a receiver who may:

(1) enter and take possession of all or any part of the properties of the authority;

(2) operate and maintain the properties;

(3) set, collect, and receive rates and charges sufficient to provide revenue adequate to pay the items specified by Sections 8513.0705(a)(1), (2), and (3) and the costs and disbursements of the suit, action, or proceeding; and

(4) apply the revenue in conformity with this chapter and the resolution authorizing the bonds.

(e) In a suit, action, or proceeding by a trustee under this section, the reasonable fees, attorney's fees, and expenses of the trustee and of the receiver, if any, constitute taxable disbursements, and all costs and disbursements allowed by the court are a first charge on any revenue pledged to secure the payment of the bonds.

(f) The courts of Bexar County have jurisdiction of a suit, action, or proceeding by a trustee on behalf of the bondholders and of all property involved in the suit, action, or proceeding.

(g) In addition to the powers specifically provided by this section, a trustee has all powers necessary or appropriate for the exercise of the powers specifically provided or incident to the general representation of the bondholders in the enforcement of their rights.

Sec. 8513.0707. POWER OF AUTHORITY TO PURCHASE BONDS ISSUED BY AUTHORITY. (a) Using any money available for the purpose, the authority may purchase bonds issued by it at a price not exceeding the redemption price applicable at the time of purchase, or, if the bonds are not redeemable, at a price not exceeding the principal amount of the bonds plus accrued interest.

(b) All bonds purchased under this section shall be canceled, and bonds may not be issued in lieu of those bonds.

Sec. 8513.0708. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter and the interest on the bond are exempt from taxation, except inheritance taxes, by this state or by any political subdivision of this state.

SUBCHAPTER H. POLLUTION CONTROL DISTRICT

Sec. 8513.0801. POWER TO ESTABLISH POLLUTION CONTROL DISTRICT. (a) The authority may establish one or more pollution

control districts for the purpose of accomplishing any of the powers, purposes, rights, or privileges vested in the authority.

(b) A pollution control district may be established by resolution of the board.

Sec. 8513.0802. RESOLUTION PROCEDURES CALLING FOR CREATION OF POLLUTION CONTROL DISTRICT. (a) A resolution of the board calling for the creation of a pollution control district must:

(1) define the boundaries of the proposed district; and

(2) set a time and place for a public hearing on the matters described in the resolution.

(b) If the authority does not intend to issue bonds on behalf of the proposed district, in addition to the requirements of Subsection (a), the resolution must declare taxes for the maintenance of the authority and the authority's improvements shall be imposed on the taxable property in the proposed district.

(c) If the authority intends to issue bonds on behalf of the proposed district, in addition to the requirements of Subsection (a), the resolution must:

(1) estimate the principal amount and state the purpose of those bonds; and

(2) declare that taxes for the payment of bonded indebtedness shall be imposed exclusively on the taxable property in the proposed district.

(d) The board may adopt resolutions described by Subsections (b) and (c) and hold public hearings for those resolutions and any applicable proposed bond and maintenance taxes at the same time.

(e) After a public hearing is held in accordance with Section 8513.0803, the board shall review any findings and recommendations resulting from the hearing. The board may alter, modify, or change any provision of the resolution, except as provided by Section 8513.0809. The board may adopt a resolution creating the proposed pollution control district. The resolution creating a pollution control district must:

(1) state the purposes for which the proposed district has been created;

(2) designate the proposed district's boundaries;

(3) declare that the indebtedness to be incurred or the cost of services to be rendered by the authority for the proposed district's benefit shall be payable from taxes imposed on property in the district;

(4) find that the property in the proposed district will benefit from the indebtedness proposed to be incurred or the services proposed to be rendered by the authority on the district's behalf; and

(5) order an election in the proposed district to authorize the indebtedness or maintenance tax, stating:

(A) the date of the election;

(B) the proposition or propositions to be voted on;

(C) the location of the polling places; and

(D) the names of the election officers.

Sec. 8513.0803. PUBLIC HEARING ON CREATION OF POLLUTION CONTROL DISTRICT; NOTICE. (a) The authority must hold a public hearing on the matters set forth in a resolution calling for the creation of a pollution control district before the proposed district is established.

(b) The hearing may be held in connection or concurrently with another public hearing, meeting, or proceeding conducted by the board.

(c) The hearing must be held within the boundaries of the proposed pollution control district.

(d) The hearing may be conducted by:

(1) a majority of the board;

(2) one or more directors; or

(3) one or more authority employees, as designated by the board.

(e) If the hearing is conducted by fewer than a majority of

directors in accordance with Subsection (d)(2) or (3), the individual or individuals conducting the hearing may accept evidence and make recommendations to the board on any proposed changes to the resolution.

(f) Notice of the hearing must be published in a newspaper of general circulation within the boundaries of the proposed pollution control district not more than 30 days before the date of the hearing and not less than 15 days before the date of the hearing. Except as otherwise provided by this section, Chapter 551, Government Code, applies to notice of a public hearing under this section.

Sec. 8513.0804. PUBLIC TESTIMONY ON CREATION OF POLLUTION CONTROL DISTRICT. (a) A hearing on the matters set forth in a resolution calling for the creation of a pollution control district must include an opportunity for:

(1) any interested person, including a person who owns property or resides in the authority, to appear and present evidence relevant to a matter set forth in the resolution calling for the creation of the proposed district; and

(2) a person who resides in or owns property in the boundaries of the proposed district to appear and present evidence regarding whether the person will receive benefits from the proposed improvements or tax.

(b) Failure to appear at the public hearing constitutes a waiver of all objections that the absent person might have had to any matters set forth in the resolution calling for the creation of the proposed pollution control district.

Sec. 8513.0805. MAINTENANCE TAX AND BOND ELECTION FOR POLLUTION CONTROL DISTRICT. An election ordered within the boundaries of a proposed pollution control district to authorize the imposition of a maintenance tax or the issuance of bonds may be held at the same time as any general or special election.

Sec. 8513.0806. JUDICIAL REVIEW OF RESOLUTION CREATING POLLUTION CONTROL DISTRICT. (a) A resolution of the board creating a pollution control district adopted under Section 8513.0802(e) is final and not subject to judicial review except on the basis of whether the resolution is supported by substantial evidence.

(b) An action or proceeding questioning, contesting, or denying the validity of a resolution creating a pollution control district or any related proceeding must be brought not later than the 30th day after the effective date of the resolution. If an action or proceeding is not brought within that period, the resolution and any related proceedings are valid and incontestable.

Sec. 8513.0807. FILING REQUIREMENT. A resolution of the board creating a pollution control district adopted under Section 8513.0802(e) shall be filed in the deed records of each county in the district's territory.

Sec. 8513.0808. POLLUTION CONTROL DISTRICT TERRITORY. (a) A pollution control district may include any territory, whether or not contiguous, in the authority.

(b) If any portion of the territory of a proposed pollution control district falls within the boundaries or the exclusive extraterritorial jurisdiction of a municipality, the board must obtain the municipality's consent before creating the proposed district. Consent of a municipality:

(1) may contain any conditions agreed on by the authority and the municipality; and

(2) must be evidenced by an enacted ordinance of the municipality's governing body.

Sec. 8513.0809. ANNEXATION OF TERRITORY TO POLLUTION CONTROL DISTRICT. (a) Territory may be annexed to an existing pollution control district in the manner provided by this section.

(b) The board may annex territory under this section by resolution of the board or by a petition requesting annexation. The petition must:

(1) to the extent practicable, set forth the matters described in a resolution calling for the creation of the pollution control district, as described by Section 8513.0802(b) or (c);

(2) request a public hearing by the board on the

petition; and

(3) be signed by:

(A) the owners of 50 percent or more of the value of the territory to be annexed;

(B) a majority of the residents of the territory to be annexed; or

(C) if fewer than three registered voters reside in the territory to be annexed, the owner or owners of the territory.

(c) The board shall hold a public hearing on the petition in the same manner as a public hearing under Section 8513.0803.

(d) If the board finds that the territory should be annexed, the board may adopt a resolution:

(1) ordering an election on the annexation:

(A) in the territory contained in the existing pollution control district; and

(B) in the territory to be annexed; or

(2) if the petition for annexation was brought under Subsection (b)(3)(C), annexing the territory to the district.

(e) Except as provided by Subsection (f), the board may not annex the territory until a majority of the registered voters:

(1) in the territory of the existing pollution control district are in favor of annexation; and

(2) in the territory to be annexed to the pollution control district are in favor of annexation and, if applicable, in favor of:

(A) allowing a maintenance tax on the land to be annexed;

(B) assuming the pro rata share of any previously authorized indebtedness of the existing district; or

(C) allowing any taxes necessary to support tax or tax-revenue bonds previously voted on that have not yet been issued on behalf of the existing pollution control district and authorizing the board to impose a tax on the property for payment of the unissued bonds when those bonds are issued.

(f) A resolution of the board annexing territory adopted under Subsection (d)(2) is temporary until a majority of the registered voters in an election held in the pollution control district including the annexed territory are in favor of:

(1) annexing the territory;

(2) ratifying any unissued tax or revenue bonds of the authority to be issued on behalf of the district; and

(3) authorizing the board to impose within the district a maintenance tax or a tax to pay for any unissued bonds when issued.

(g) If a majority of the registered voters in an election held under Subsection (d) or (f) are in favor of the annexation, the board shall adopt a resolution redefining the boundaries of the pollution control district and record the resolution in the deed records of each county containing the annexed territory.

Sec. 8513.0810. POWER TO ISSUE BONDS; TAX FOR POLLUTION CONTROL DISTRICT. (a) The board may:

(1) incur any indebtedness necessary to provide all improvements and the maintenance of those improvements required to achieve the purposes for which any pollution control district is organized;

(2) impose taxes necessary for the payment of the interest of any bonds issued under this section; and

(3) create a sinking fund for the payment of bonds issued under this section.

(b) Taxes imposed under this section are a lien on the property assessed for the payment of the taxes.

(c) If the majority of the votes in an election held under Section 8513.0805 or 8513.0809 are in favor of authorizing the authority to incur indebtedness for the benefit of a pollution control district, the board may issue bonds for that purpose.

(d) If the board issues bonds under Subsection (c), the board may impose a tax only on property in the pollution control district to pay the principal of or interest on the bonds.

(e) If the majority of the votes in an election held under Section 8513.0805 or 8513.0809 are in favor of authorizing the authority to impose an ad valorem tax, the board may impose the tax only on property in the pollution control district.

(f) Chapters 49 and 51, Water Code, apply to the imposition of a tax or the issuance of bonds under this subchapter.

Sec. 8513.0811. CONFLICT OF LAW. In all areas of conflict with this subchapter and Chapters 49 and 51, Water Code, this subchapter prevails.

SECTION 2. The following provisions are repealed:

(1) Chapter 276, Acts of the 45th Legislature, Regular Session, 1937;

(2) Section 2, Chapter 504, Acts of the 55th Legislature, Regular Session, 1957;

(3) Sections 25, 26, 27, and 28, Chapter 233, Acts of the 57th Legislature, Regular Session, 1961;

(4) Sections 10, 11, and 12, Chapter 836, Acts of the 61st Legislature, Regular Session, 1969;

(5) Section 2, Chapter 604, Acts of the 64th Legislature, Regular Session, 1975;

(6) Sections 4 and 5, Chapter 60, Acts of the 67th Legislature, Regular Session, 1981;

(7) Sections 2 and 3, Chapter 701, Acts of the 70th Legislature, Regular Session, 1987; and

(8) Sections 13 and 14, Chapter 179, Acts of the 88th Legislature, Regular Session, 2023.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

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