

1-1 By: Zaffirini S.B. No. 234
 1-2 (In the Senate - Filed December 9, 2014; January 28, 2015,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; May 6, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
 1-6 May 6, 2015, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|--------------------------|-----|-----|--------|-----|
| 1-8 Lucio | X | | | |
| 1-9 Bettencourt | | | X | |
| 1-10 Campbell | X | | | |
| 1-11 Garcia | X | | | |
| 1-12 Menéndez | X | | | |
| 1-13 Nichols | X | | | |
| 1-14 Taylor of Galveston | | | X | |

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 234 By: Lucio

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

1-19 relating to the creation and operation of a park and recreation
 1-20 district in counties that share a border on the San Marcos River and
 1-21 to the authority of the district to collect fees and issue bonds;
 1-22 creating a criminal offense and providing penalties.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle B, Title 10, Local Government Code, is
 1-25 amended by adding Chapter 324A to read as follows:

1-26 CHAPTER 324A. PARK AND RECREATION DISTRICTS IN CERTAIN COUNTIES
 1-27 ON SAN MARCOS RIVER

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 324A.001. ELIGIBLE COUNTIES AND TERRITORY. (a) Two
 1-30 counties that share a border on the San Marcos River may create a
 1-31 district as provided by this chapter in all or part of the counties
 1-32 to:

- 1-33 (1) conserve the natural resources in the district;
- 1-34 and
- 1-35 (2) improve the public health, safety, and welfare in
 1-36 the district.

1-37 (b) The territory of a district created under this chapter
 1-38 must include all of at least one county election precinct on each
 1-39 side of the San Marcos River, except that the district territory
 1-40 must exclude all territory located in a state park.

1-41 (c) The territory of a district created under this chapter
 1-42 may not include territory outside of the creating counties
 1-43 initially, but the district may annex territory outside the
 1-44 counties under Section 324A.121.

1-45 Sec. 324A.002. DEFINITIONS. In this chapter:

- 1-46 (1) "Board" means the board of directors of a park and
 1-47 recreation district created under this chapter.
- 1-48 (2) "District" means a park and recreation district
 1-49 created under this chapter.
- 1-50 (3) "Eligible county" means a county described by
 1-51 Section 324A.001.
- 1-52 (4) "Fee" includes a toll or any other charge.

1-53 SUBCHAPTER B. CREATION OF PARK AND RECREATION DISTRICT

1-54 Sec. 324A.021. CREATION ELECTIONS REQUIRED. A district may
 1-55 be created under this chapter only if:

- 1-56 (1) the commissioners court of each eligible county in
 1-57 which the proposed district will be located:
 - 1-58 (A) receives a written petition for the creation
 1-59 of the district that:
 - 1-60 (i) is signed by a number of the registered

2-1 voters who reside in the county equal to at least five percent of
2-2 the votes received in the county in the most recent gubernatorial
2-3 general election; and
2-4 (ii) includes an accurate description of
2-5 the territory to be included in the district by reference to county
2-6 election precinct boundaries, by metes and bounds, by lot and block
2-7 number if there is a recorded map or plat and survey of the area, or
2-8 by other sufficient legal description; or
2-9 (B) passes a motion favoring creation of the
2-10 district that includes an accurate description of the territory to
2-11 be included in the district by reference to county election
2-12 precinct boundaries, by metes and bounds, by lot and block number if
2-13 there is a recorded map or plat and survey of the area, or by other
2-14 sufficient legal description;
2-15 (2) the commissioners court of each county in which
2-16 the proposed district will be located approves the creation of the
2-17 district after a public hearing held to consider the creation of the
2-18 district; and
2-19 (3) the creation of the district is approved by the
2-20 voters as provided by Section 324A.024.
2-21 Sec. 324A.022. HEARING. (a) A commissioners court of an
2-22 eligible county that receives a petition or passes a motion under
2-23 Section 324A.021 shall hold a hearing on the creation of the
2-24 district.
2-25 (b) The commissioners court shall set a date for the hearing
2-26 that is after the 20th day but on or before the 40th day after the
2-27 date the petition is received or the passage of the motion, as
2-28 applicable, under Section 324A.021.
2-29 (c) The commissioners court shall publish in a newspaper of
2-30 general circulation in the county notice of the petition or motion
2-31 and the hearing date.
2-32 (d) The notice must be published at least once each week for
2-33 a period of two weeks before the hearing date.
2-34 (e) At the hearing, the commissioners court shall hear all
2-35 arguments for and against the creation of the district and shall
2-36 take evidence as in civil cases in the county court.
2-37 (f) The hearing may be adjourned from time to time on good
2-38 cause shown.
2-39 Sec. 324A.023. ORDER OF ELECTION. (a) After holding a
2-40 hearing under Section 324A.022, the commissioners court may approve
2-41 the creation of the district and order an election on the issue of
2-42 the creation of the district only if the court finds that:
2-43 (1) the petition, if any, was signed by the required
2-44 number of registered voters in the county;
2-45 (2) the district will serve the purposes prescribed by
2-46 Section 324A.001; and
2-47 (3) the territory of the proposed district includes at
2-48 least one county election precinct in an eligible county on each
2-49 side of the San Marcos River.
2-50 (b) The commissioners court's election order must provide
2-51 for the voters of the territory of the proposed district who reside
2-52 in the county to vote for or against a proposition to approve the
2-53 creation of the district.
2-54 (c) A commissioners court that orders an election under this
2-55 section shall notify the commissioners court of the other eligible
2-56 county in which the proposed district will be located of the order.
2-57 Sec. 324A.024. ELECTION; RESULT. (a) The election must be
2-58 held on the date of the first regularly scheduled countywide
2-59 election that follows the date of the order of the election and for
2-60 which there is sufficient time to comply with other requirements of
2-61 law.
2-62 (b) The commissioners courts of the counties in which the
2-63 proposed district will be located are not required to hold their
2-64 respective creation elections on the same day.
2-65 (c) The returns on the election shall be certified and the
2-66 results declared in the same manner as provided for other county
2-67 elections, except as provided by this section.
2-68 (d) A commissioners court that holds an election under this
2-69 section shall notify the commissioners court of the other county in

3-1 which the district is proposed to be located of the results of the
3-2 election, including the number of voters who voted for the
3-3 proposition and the number of voters who voted against the
3-4 proposition.

3-5 (e) After an election is held in the proposed district
3-6 territory of each eligible county, the commissioners court of each
3-7 county shall determine whether the majority of the voters of the
3-8 proposed district territory in that county voting in the election
3-9 voted for or against the proposition to approve the creation of the
3-10 district. The county commissioners courts jointly shall declare
3-11 the district created if a majority of the voters who voted in each
3-12 county voted for the proposition. Each commissioners court shall
3-13 enter in the court's minutes at the court's next meeting that the
3-14 voters of the county approved or did not approve the creation of the
3-15 district.

3-16 Sec. 324A.025. COSTS OF CREATION AND ORGANIZATION. The
3-17 costs necessarily incurred in the creation and organization of the
3-18 district may be paid from the district's revenue from any source.

3-19 SUBCHAPTER C. BOARD OF DIRECTORS OF PARK AND RECREATION DISTRICT

3-20 Sec. 324A.041. APPOINTMENT OF BOARD MEMBERS; TERMS. (a) A
3-21 district is governed by a board composed of seven members.

3-22 (b) The commissioners court of each county in which the
3-23 district is located shall appoint three members of the board.

3-24 (c) A municipality in the district may nominate a candidate
3-25 for the seventh board member position. The six board members
3-26 appointed under Subsection (b) shall select a seventh board member
3-27 from among the nominations or, if the board receives no
3-28 nominations, shall select a seventh board member.

3-29 (d) A commissioners court or the board shall file with the
3-30 county clerk of each county in which the district is located a
3-31 certificate of the appointment of each board member appointed by
3-32 the court or board. The certificate is conclusive evidence of the
3-33 proper appointment of the board member.

3-34 (e) Three members of the initial board serve one-year terms
3-35 and four members serve two-year terms. The members shall draw lots
3-36 to determine which members serve the one-year terms. Thereafter,
3-37 each board member is appointed for a term of two years from the date
3-38 of the board member's appointment.

3-39 (f) A board member may not serve more than four consecutive
3-40 full terms.

3-41 Sec. 324A.042. QUALIFICATIONS. (a) A board member must:

- 3-42 (1) be a citizen of the United States; and
- 3-43 (2) reside, own property, or own a business in the
3-44 district.

3-45 (b) A board member may not be an officer or employee of a
3-46 county in which the district is located or of a municipality in the
3-47 district.

3-48 (c) Not more than two board members may be owners,
3-49 operators, or employees of businesses that provide as their main
3-50 business the same specific good or service.

3-51 Sec. 324A.043. VACANCIES. A vacancy that occurs on the
3-52 board shall be filled for the unexpired term by appointment in the
3-53 manner in which the vacating board member was appointed.

3-54 Sec. 324A.044. OATH AND BOND. (a) Not later than the 30th
3-55 day after the date a board member is appointed, the member must
3-56 qualify by taking the official oath and by filing a good and
3-57 sufficient bond with the district.

- 3-58 (b) The bond must be:
- 3-59 (1) payable to the district;
- 3-60 (2) payable in an amount prescribed by the district of
3-61 \$5,000 or more; and
- 3-62 (3) conditioned that the board member will faithfully
3-63 perform the duties of a board member, including the proper handling
3-64 of all money that comes into the board member's hands in the board
3-65 member's official capacity.

3-66 Sec. 324A.045. COMPENSATION AND REIMBURSEMENT. A board
3-67 member is not entitled to compensation but is entitled to
3-68 reimbursement for necessary expenses, including travel expenses,
3-69 incurred in performing the duties of a board member. A board

4-1 member's reimbursement for necessary expenses in excess of \$250
4-2 must be approved by the board. A board member's approved expense
4-3 account shall be paid in due time by the board's check or warrant.

4-4 Sec. 324A.046. QUORUM; MAJORITY VOTE. (a) Five board
4-5 members constitute a quorum of the board.

4-6 (b) An affirmative vote of a majority of the membership of
4-7 the board is required for board action.

4-8 Sec. 324A.047. APPROVAL OF COMMISSIONERS COURT. (a) The
4-9 board is subject to the supervision of the commissioners courts of
4-10 the counties in which the district is located in the exercise of all
4-11 the board's rights, powers, and privileges and in the performance
4-12 of the board's duties.

4-13 (b) Not later than the 30th day after the date the board
4-14 acts, the commissioners courts may approve or disapprove the
4-15 board's action. If one of the courts disapproves the act, the act
4-16 is ineffective. Otherwise, the act becomes effective on the
4-17 earlier of the date each commissioners court approves the act or the
4-18 31st day after the date the board acted.

4-19 Sec. 324A.048. ORGANIZATION; MEETINGS. (a) Annually, the
4-20 board shall elect a president, a vice president, a secretary, and a
4-21 treasurer.

4-22 (b) The offices of secretary and treasurer may be held by
4-23 the same person. If either the secretary or the treasurer is absent
4-24 or unavailable, the president may appoint another board member to
4-25 act for and perform the duties of the absent or unavailable officer.

4-26 (c) The board shall set times for and hold regular meetings.
4-27 On the request of two or more board members, the board may hold a
4-28 special meeting at other times as necessary.

4-29 (d) The board shall hold meetings at a public place in a
4-30 county in which the district is located.

4-31 SUBCHAPTER D. POWERS AND DUTIES

4-32 Sec. 324A.061. DEPOSITORIES AND DISBURSEMENTS. (a) Money
4-33 and other funds belonging to or under control of the board are
4-34 public funds.

4-35 (b) The board shall select depositories for the money.

4-36 (c) A warrant or check for the withdrawal of money must be
4-37 signed by two persons authorized to sign a warrant or check by
4-38 resolution entered in the board's minutes.

4-39 Sec. 324A.062. ADMINISTRATION. (a) The board may employ a
4-40 manager and a secretary.

4-41 (b) The board shall determine the qualifications and set the
4-42 duties of employees.

4-43 (c) The board may call on the county attorney, district
4-44 attorney, or criminal district attorney of a county in which the
4-45 district is located for legal services the board requires. The
4-46 board may contract for and compensate the board's own legal staff.

4-47 (d) The district may maintain and operate an office.

4-48 (e) The board may acquire insurance for the district.

4-49 Sec. 324A.063. SEAL. The board shall adopt a seal to place
4-50 on each lease, deed, or other instrument usually executed under
4-51 seal and on other instruments as the board requires.

4-52 Sec. 324A.064. CONTRACTS. (a) The board may enter into
4-53 any contract that the board considers necessary or convenient to
4-54 carry out the purposes and powers granted by this chapter.

4-55 (b) If the contract is for an amount less than or equal to
4-56 \$25,000, the board may enter into the contract without
4-57 advertisement. If the contract is for more than that amount, the
4-58 contract is subject to the bidding provisions applicable to county
4-59 contracts.

4-60 (c) To be effective, a contract must be:

4-61 (1) approved by board resolution;

4-62 (2) executed by the president or vice president; and

4-63 (3) attested by the secretary or treasurer.

4-64 Sec. 324A.065. SUITS. The board may sue and be sued in the
4-65 board's own name.

4-66 Sec. 324A.066. DISTRICT RULES AND ORDINANCES; CRIMINAL
4-67 PENALTY. (a) The board may adopt reasonable rules and ordinances
4-68 applicable to:

4-69 (1) the administration, enforcement, and collection

5-1 of district fees and the issuance, suspension, and cancellation of
5-2 revenue permits;

5-3 (2) littering and litter abatement on public water in
5-4 the district;

5-5 (3) activities that endanger the health and safety of
5-6 persons or property on public water in the district, including the
5-7 possession or consumption of alcohol by minors, subject to the
5-8 public's paramount right to navigate inland water; and

5-9 (4) conservation of the district's natural resources
5-10 and regulation of activities affecting the district's natural
5-11 resources.

5-12 (b) A program adopted under this section may require a
5-13 revenue permit holder to participate in a litter abatement program
5-14 where the permit holder issues a trash bag to a customer.

5-15 (c) A person who violates a rule or ordinance adopted under
5-16 this section commits an offense. An offense under this subsection
5-17 is a Class C misdemeanor.

5-18 Sec. 324A.067. ENFORCEMENT. (a) A police officer,
5-19 constable, sheriff, or other law enforcement officer with
5-20 jurisdiction in a county in which the district is located may arrest
5-21 a person who violates a district rule or ordinance, including a
5-22 revenue permit requirement, in the officer's, constable's, or
5-23 sheriff's county and carry out the prosecution of that person in the
5-24 proper court.

5-25 (b) The county attorney, district attorney, or criminal
5-26 district attorney of a county in which the district is located, or
5-27 an attorney retained by the board for this purpose, may bring an
5-28 action to enjoin a violation of a district rule or ordinance, and if
5-29 the board authorizes, may seek damages and attorney's fees based on
5-30 the violation, if the violation involves:

5-31 (1) the providing or offering of a rental or service
5-32 for which collection of a fee is required under Section 324A.092;

5-33 (2) the failure of a revenue permit holder to remit a
5-34 fee imposed under Section 324A.092 if the fee has been due for more
5-35 than 60 days; or

5-36 (3) the violation by a revenue permit holder of a
5-37 district rule or ordinance relating to an activity that endangers
5-38 the health or safety of a person or property in the district.

5-39 Sec. 324A.068. BOND. If the board brings an action to
5-40 enforce this subchapter or enjoin a violation of a district rule or
5-41 ordinance adopted under this subchapter, the board is not required
5-42 to post a bond.

5-43 Sec. 324A.069. HEALTH AND SAFETY SERVICES. The district
5-44 may provide for fire protection, law enforcement, or emergency
5-45 medical services in the district.

5-46 Sec. 324A.070. WATER QUALITY. The district may conduct a
5-47 program to improve water quality and sanitary conditions in the
5-48 district.

5-49 Sec. 324A.071. GRANTS AND GRATUITIES. To promote or
5-50 accomplish a purpose of this chapter, the board may:

5-51 (1) accept grants or gratuities in any form from any
5-52 source, including the United States government, this state, a state
5-53 or federal agency, a private or public corporation, or any other
5-54 person; or

5-55 (2) accept donations of money or other property.

5-56 Sec. 324A.072. DISTRICT AS TRUSTEE. To promote or
5-57 accomplish a purpose of this chapter, the district may act as
5-58 trustee of land, money, or other property.

5-59 Sec. 324A.073. MANAGEMENT PLAN; ANNUAL BUDGET; FILING.
5-60 (a) The board shall develop and approve a three-year master plan
5-61 for the management of the district.

5-62 (b) The board shall annually review and revise the master
5-63 plan during the budget process and shall file a copy of the master
5-64 plan and revisions with the county clerk of each county in which the
5-65 district is located.

5-66 (c) The board shall annually develop and approve a one-year
5-67 budget that must include the suggested revisions and additions to
5-68 the master plan.

5-69 (d) The board shall submit the annual budget to the

6-1 commissioners court of each county in which the district is located
 6-2 for approval and shall file a copy with the county clerk.

6-3 Sec. 324A.074. NO EMINENT DOMAIN POWER. The district may
 6-4 not exercise the power of eminent domain.

6-5 SUBCHAPTER E. FEES; BONDS; FINANCIAL PROVISIONS

6-6 Sec. 324A.091. NO AD VALOREM TAXES. The district may not
 6-7 impose an ad valorem tax.

6-8 Sec. 324A.092. FEES FOR EQUIPMENT RENTALS AND SHUTTLE
 6-9 SERVICE; REVENUE PERMITS; CRIMINAL PENALTY. (a) The district may
 6-10 collect fees and issue revenue permits under this section in the
 6-11 district to carry out any purposes prescribed by this chapter and to
 6-12 pay the obligations and expenses of the district. The district may
 6-13 not impose a fee other than a fee described by this section.

6-14 (b) The board by resolution may impose fees for the rental
 6-15 of water-oriented recreational equipment intended for use on a
 6-16 river in the district, including a canoe, tube, raft, boat, or
 6-17 kayak, or for the provision of shuttle service in, or into or out
 6-18 of, the district, including a service for river ingress and egress.
 6-19 The board may impose different fee rates for different types of
 6-20 rental equipment or services, except that a fee may not be imposed
 6-21 at a rate greater than \$3 per person:

6-22 (1) for each rental of water-oriented recreational
 6-23 equipment; or

6-24 (2) if the person does not rent equipment described by
 6-25 Subdivision (1), for each person using shuttle service.

6-26 (c) A fee imposed under this section is payable by the
 6-27 purchaser or consumer of the item or service subject to the fee
 6-28 except that if the person responsible for collecting the fee does
 6-29 not comply with this chapter by collecting and remitting the fee to
 6-30 the district, the person responsible for collecting the fee is
 6-31 liable for the fee.

6-32 (d) A person who does not hold a revenue permit issued by the
 6-33 board commits an offense if the person provides or offers for
 6-34 compensation a rental or service if the price paid for the rental or
 6-35 service is subject to a fee under this section. Each provision or
 6-36 offer for compensation of the rental or service is a separate
 6-37 offense. An offense under this subsection is a Class C misdemeanor,
 6-38 unless it is shown at the trial of the defendant that the defendant
 6-39 has previously been convicted of an offense under this subsection,
 6-40 in which case the offense is a Class B misdemeanor.

6-41 (e) A person who holds a revenue permit issued by the
 6-42 district shall collect the fees imposed under this section and
 6-43 shall report and remit the collected fees to the district as the
 6-44 district requires.

6-45 (f) If a revenue permit holder remits fees imposed under
 6-46 this section after the due date but on or before the 30th day after
 6-47 the due date, the revenue permit holder shall pay the district a
 6-48 penalty of five percent of the amount of fees due. If the revenue
 6-49 permit holder remits the fees after the 30th day after the due date,
 6-50 the revenue permit holder shall pay the district a penalty of 10
 6-51 percent of the amount of fees due.

6-52 (g) Delinquent fees and accrued penalties draw interest at
 6-53 the rate of 10 percent a year beginning on the 60th day after the
 6-54 date the fees imposed under this section were due.

6-55 (h) If a revenue permit holder does not collect and remit a
 6-56 fee imposed under this section, the board may suspend, revoke, or
 6-57 cancel the holder's revenue permit and pursue any other remedy the
 6-58 district may have to collect the fee under civil or criminal law.

6-59 (i) The board may settle a claim for a penalty or interest
 6-60 accrued on a fee imposed under this section if the board finds that
 6-61 the revenue permit holder exercised reasonable diligence to comply
 6-62 with this chapter.

6-63 (j) In the same manner that this section applies to a person
 6-64 who provides or offers a rental or service for compensation in the
 6-65 district, this section applies to a person who resides or does
 6-66 business outside the district but:

6-67 (1) provides or offers a rental or service for
 6-68 compensation in the district; and

6-69 (2) regularly transports customers into or out of the

7-1 district for river or parking access.

7-2 Sec. 324A.093. FEE EXEMPTION. The district may not collect
7-3 a fee on a transaction between a person and an interest operated in
7-4 the district by:

7-5 (1) the United States;

7-6 (2) a state park; or

7-7 (3) a nonprofit youth-oriented organization.

7-8 Sec. 324A.094. REVENUE BOND ELECTION. (a) Revenue bonds
7-9 may not be issued by the district until authorized by a majority
7-10 vote of the district's voters voting at an election called and held
7-11 for that purpose.

7-12 (b) Not later than two years after the date the district is
7-13 declared created under Section 324A.024, the board may order a bond
7-14 election. Regardless of the requirements of Section 324A.047(b),
7-15 the order is not effective unless approved by the commissioners
7-16 court of each county in which the district is located. Except as
7-17 provided by this section, the election shall be held in the manner
7-18 provided by the Election Code.

7-19 (c) At the election, the ballot must be printed to provide
7-20 for voting for or against the issuance of revenue bonds.

7-21 (d) If a majority of the votes cast at the election favor the
7-22 issuance of the bonds, the bonds may be issued by the board. If a
7-23 majority of the votes cast at the election do not favor issuance of
7-24 the bonds, the bonds may not be issued.

7-25 Sec. 324A.095. REVENUE BONDS. (a) The district may issue
7-26 not more than \$300,000 in revenue bonds and may issue the bonds only
7-27 to provide funds for the initial operation of the district. The
7-28 bonds must be approved at an election called under Section
7-29 324A.094.

7-30 (b) The district may make the bonds payable out of any
7-31 revenue of the district.

7-32 (c) The bonds must be:

7-33 (1) issued in the name of the district;

7-34 (2) signed by the county judge of each county in which
7-35 the district is located; and

7-36 (3) attested by the county clerk and ex officio clerk
7-37 of the commissioners court of each county in which the district is
7-38 located.

7-39 (d) The seal of the commissioners court of each county in
7-40 which the district is located must be impressed on the bonds.

7-41 (e) The bonds must mature serially or otherwise in not more
7-42 than 40 years and may be sold at a price and under terms determined
7-43 by the board to be the most advantageous reasonably obtainable.

7-44 (f) The resolution authorizing the issuance of the bonds may
7-45 contain provisions for redemption of the bonds before their
7-46 respective maturity dates at prices and times prescribed in the
7-47 resolution. Except for rights of redemption expressly reserved in
7-48 the resolution and in the revenue bonds, the bonds are not subject
7-49 to redemption before maturity.

7-50 (g) The bonds may be made payable at times and at places,
7-51 inside or outside the state, prescribed in the resolution.

7-52 (h) The bonds may be made registrable as to principal or as
7-53 to both principal and interest.

7-54 Sec. 324A.096. BOND ANTICIPATION NOTES. (a) If funds are
7-55 not available to pay the principal of or interest on bonds issued by
7-56 the district or to pay other obligations of the district, the board
7-57 may declare an emergency and may issue negotiable bond anticipation
7-58 notes to borrow the money needed. The bond anticipation notes may
7-59 bear interest at a rate that does not exceed the maximum rate
7-60 provided by Chapter 1204, Government Code, and must mature within
7-61 one year after their date of issuance.

7-62 (b) Bond anticipation notes may also be issued for any
7-63 purpose for which bonds of the district have been voted or to refund
7-64 previously issued bond anticipation notes.

7-65 (c) Bond anticipation notes issued under this section must
7-66 be authorized by resolution of the board, subject to approval by the
7-67 commissioners courts under Section 324A.047, and must be executed
7-68 by the president of the board and attested by the secretary of the
7-69 board.

8-1 Sec. 324A.097. REFUNDING BONDS. The district may issue
 8-2 refunding bonds under Chapter 1207, Government Code.

8-3 Sec. 324A.098. REPAYMENT OF BONDS THROUGH FEE REVENUE.
 8-4 (a) This section applies only to fees charged by the district
 8-5 while the district has outstanding bonds or interest.

8-6 (b) The board shall charge or require the payment of fees
 8-7 authorized by Section 324A.092 while the principal of or interest
 8-8 on district bonds is outstanding.

8-9 (c) Subject to the maximum fee amount prescribed by Section
 8-10 324A.092(b), the board shall set the fees in amounts that will yield
 8-11 revenues at least sufficient to pay district expenses, to comply
 8-12 with the covenants in the bond resolution, and to make payments
 8-13 prescribed by the bond resolution for debt service. "Debt
 8-14 service," as defined by the bond resolution, may include the
 8-15 payment of principal and interest as each matures, the
 8-16 establishment and maintenance of funds for extensions and
 8-17 improvements, an operating reserve, and an interest and sinking
 8-18 fund reserve.

8-19 Sec. 324A.099. FINANCIAL STATEMENT; BUDGET. (a) On or
 8-20 before February 1 of each year, the board shall prepare and file
 8-21 with the officer responsible for the county budget for each county
 8-22 in which the district is located a complete financial statement
 8-23 showing the financial status of the district and the district's
 8-24 properties, funds, and indebtedness.

8-25 (b) The financial statement must be prepared in accordance
 8-26 with standards adopted by the Governmental Accounting Standards
 8-27 Board and must show separately all information concerning:

8-28 (1) leases, promissory notes, and other indebtedness
 8-29 of the district; and

8-30 (2) fee revenue of the district.

8-31 (c) At the time the financial statement is filed, the board
 8-32 shall file with the commissioners court of each county in which the
 8-33 district is located a proposed budget of the board's needs for the
 8-34 next fiscal year. The proposed budget shall include items that:

8-35 (1) the board is unable to finance from the district's
 8-36 revenues; and

8-37 (2) the board requests purchase of with funds from
 8-38 that county.

8-39 (d) The officer responsible for the county budget for each
 8-40 county in which the district is located shall include the
 8-41 district's proposed budget on the calendar for the next regularly
 8-42 scheduled meeting of the commissioners court. As part of the
 8-43 county's tentative budget, the items certified by the board are
 8-44 subject to state law relating to county budgets.

8-45 (e) The county auditor of a county in which the district is
 8-46 located, after consultation with or notification to the county
 8-47 auditor of the other county in which the district is located, may
 8-48 conduct a general audit and issue a financial statement of the
 8-49 district at times the auditor considers appropriate.

8-50 Sec. 324A.100. DISPOSITION OF REVENUE. A district may use
 8-51 district fee revenue and other revenue for any purpose authorized
 8-52 by this chapter or other law for the benefit of the district.

8-53 SUBCHAPTER F. ANNEXATION; INCORPORATION; DISSOLUTION

8-54 Sec. 324A.121. ANNEXATION. (a) The voters of an area that
 8-55 is contiguous to a district and is in a county election precinct
 8-56 that borders the San Marcos River may file a petition with the board
 8-57 to annex the area to the district.

8-58 (b) The petition must contain an accurate description of the
 8-59 area proposed for annexation by reference to county election
 8-60 precinct boundaries, by metes and bounds, by lot and block number if
 8-61 there is a recorded map or plat and survey of the area, or by other
 8-62 sufficient legal description.

8-63 (c) The petition must be signed by at least one percent of
 8-64 the registered voters in the area proposed for annexation.

8-65 (d) The board shall give notice of a hearing on the petition
 8-66 and hold a hearing in the manner prescribed by Section 324A.022 for
 8-67 a commissioners court hearing.

8-68 (e) After holding the hearing, the board may by order annex
 8-69 the area only if the board finds that the annexation promotes the

9-1 purposes for which the district was created.

9-2 (f) If the board annexes territory into the district located
 9-3 in a county other than the counties in which the district was
 9-4 located on the date of the district's creation, the commissioners
 9-5 court of the new county may appoint two members to the district's
 9-6 board in addition to the members appointed under Section 324A.041.
 9-7 If two additional board members are appointed under this
 9-8 subsection:

9-9 (1) the additional board members shall draw lots to
 9-10 determine which member serves an initial one-year term and which
 9-11 member serves an initial two-year term; and

9-12 (2) the additional board members may participate in
 9-13 selecting the board member under Section 324A.041(c).

9-14 Sec. 324A.122. EFFECT OF INCORPORATION OR ANNEXATION. The
 9-15 incorporation of a political subdivision or the annexation of any
 9-16 part of a district by a political subdivision does not affect the
 9-17 district's boundaries.

9-18 Sec. 324A.123. DISANNEXATION. (a) The voters of or county
 9-19 commissioners for any area in a district may file a petition with
 9-20 the board to disannex the area from the district.

9-21 (b) The petition must contain an accurate description of the
 9-22 area proposed for disannexation by reference to county election
 9-23 precinct boundaries, by metes and bounds, by lot and block number if
 9-24 there is a recorded map or plat and survey of the area, or by other
 9-25 sufficient legal description.

9-26 (c) The petition must be signed by at least one percent of
 9-27 the registered voters in the area proposed for disannexation or by
 9-28 each county commissioner for the area proposed for disannexation.

9-29 (d) The board shall give notice of a hearing on the petition
 9-30 and hold a hearing in the manner prescribed by Section 324A.022 for
 9-31 a commissioners court hearing.

9-32 (e) The board may grant the petition and by order disannex
 9-33 the territory if the board finds that:

9-34 (1) the petition meets the requirements of this
 9-35 section;

9-36 (2) the district's projected revenue from all sources,
 9-37 except from the area proposed for disannexation, is sufficient to
 9-38 pay the district's outstanding debts; and

9-39 (3) the disannexation is in the district's best
 9-40 interests.

9-41 (f) Except as provided by Section 324A.125(d), if the Parks
 9-42 and Wildlife Department creates a state park that includes
 9-43 territory in the district, the board shall by order disannex the
 9-44 overlapping territory from the district.

9-45 (g) The disannexation takes effect on the date stated by the
 9-46 order or, if the order does not state a date, on the date the order
 9-47 is issued.

9-48 Sec. 324A.124. DISSOLUTION OF DISTRICT BY COMMISSIONERS
 9-49 COURTS. (a) The commissioners courts of each county in which the
 9-50 district is located by joint order may dissolve the district. The
 9-51 order may be adopted:

9-52 (1) on a motion by a commissioners court; or

9-53 (2) after the filing of a written petition with each
 9-54 county in which the district is located signed by a number of the
 9-55 registered voters who reside in the district equal to at least 10
 9-56 percent of the votes received in the district in the most recent
 9-57 gubernatorial general election.

9-58 (b) Each commissioners court that receives a petition shall
 9-59 give notice of a hearing on the petition or motion and hold a
 9-60 hearing in the manner prescribed by Section 324A.022.

9-61 (c) The commissioners courts shall jointly grant a petition
 9-62 and order the dissolution of the district if the courts find that
 9-63 the petition, if any, meets the requirements of this section and
 9-64 that the dissolution is in the best interests of the counties.

9-65 Sec. 324A.125. DISSOLUTION OF DISTRICT BY BOARD. (a) The
 9-66 board may by order dissolve the district. The order may be adopted:

9-67 (1) on the board's own motion; or

9-68 (2) after the filing of a written petition signed by a
 9-69 number of the registered voters who reside in the district equal to

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

10-3 (b) The board shall give notice of a hearing on the petition
10-4 or motion and hold a hearing in the manner prescribed by Section
10-5 324A.022 for a commissioners court hearing.

10-6 (c) After the hearing, the board shall order the dissolution
10-7 of the district if the board finds that the petition, if any, meets
10-8 the requirements of this section and that the dissolution is in the
10-9 best interests of the counties in which the district is located.

10-10 (d) The board shall by order dissolve the district if the
10-11 Parks and Wildlife Department creates a state park that includes:

10-12 (1) all of the district's territory located in one of
10-13 the counties in which the district is located; or

10-14 (2) all of the district's territory.

10-15 Sec. 324A.126. DISPOSITION OF DISTRICT ASSETS AND DEBTS.

10-16 (a) If the district is dissolved, the board shall administer the
10-17 assets and debts until all money has been disposed of and all
10-18 district debts have been paid or settled.

10-19 (b) The district is dissolved when all money has been
10-20 disposed of and all district debts have been paid or settled.

10-21 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

10-22 Sec. 324A.901. REQUIREMENTS FOR RENTAL OF WATER-ORIENTED
10-23 RECREATIONAL EQUIPMENT. (a) This section applies only to the
10-24 rental of water-oriented recreational equipment in a district.

10-25 (b) A person may rent water-oriented recreational equipment
10-26 only if each person who will use the equipment is listed on a
10-27 written agreement for the rental of that equipment.

10-28 SECTION 2. This Act takes effect immediately if it receives
10-29 a vote of two-thirds of all the members elected to each house, as
10-30 provided by Section 39, Article III, Texas Constitution. If this
10-31 Act does not receive the vote necessary for immediate effect, this
10-32 Act takes effect September 1, 2015.

10-33 * * * * *