

## BILL ANALYSIS

Senate Research Center  
84R3132 JXC-D

S.B. 234  
By: Zaffirini  
Intergovernmental Relations  
1/20/2015  
As Filed

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

A three-mile stretch of the San Marcos River, east of the city of San Marcos, is visited by thousands of tubers and recreational users each year. The number of visitors to the river, especially for tubing, has increased substantially in recent years as the population in the area has grown. This particular section of the river does not lie within an incorporated area and forms the border between Caldwell and Guadalupe counties. The county governments do not have sufficient resources to consistently station police officers along the river to enforce existing state regulations related to public intoxication, underage drinking, trespassing, indecency, and littering. Tubers, especially those who are younger than the legal drinking age, are attracted to the San Marcos River because they know state laws related to consuming alcohol frequently are not enforced.

The increased activity and lawlessness is disruptive and costly to the taxpayers of Caldwell and Guadalupe counties, the city of Martindale, and the State of Texas. The river and surrounding roadways experience a high volume of alcohol-related incidents ranging from minor to catastrophic in nature, which require costly responses by local, county, and state law enforcement and emergency services providers. Existing efforts by Texas Parks and Wildlife game wardens, state troopers, county sheriffs, and local emergency response teams draw resources away from the rest of the county and region, leaving the citizens of the area without adequate law enforcement and emergency services coverage. Excessive littering and pollution caused by recreationists on the river is unsightly and detrimental to the river's ecosystem. The majority of the costs of cleanup are borne by local taxpayers and volunteer efforts.

S.B. 234 would allow voters in Caldwell and Guadalupe counties to create a special recreation district along the section of the San Marcos River that forms the border between the two counties. If created, the district would be authorized to enact reasonable ordinances related to the protection of the health and safety of the river and its users. The district also would be authorized to collect a fee of up to \$3 from persons who rent equipment or shuttle services for river use. Revenue collected by the district would be used to pay for necessary law enforcement and cleanup services.

As proposed, S.B. 234 amends current law relating to the creation and operation of a park and recreation district in counties that share a border on the San Marcos River and to the authority of the district to collect fees, creates an offense, and provides penalties.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the board of directors of a park and recreation district in SECTION 1 (Section 324A.066, Local Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle B, Title 10, Local Government Code, by adding Chapter 324A, as follows:

#### CHAPTER 324A. PARK AND RECREATION DISTRICTS IN CERTAIN COUNTIES ON THE SAN MARCOS RIVER

## SUBCHAPTER A. GENERAL PROVISIONS

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

- (1) improve, equip, maintain, finance, and operate a public park located in the district, including a park owned or leased by a county;
- (2) conserve the natural resources in the district; and
- (3) improve the public health, safety, and welfare in the district.

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

(c) Prohibits the territory of a district created under this chapter from including territory outside of the creating counties, initially, but authorizes the district to annex territory outside the counties under Section 324A.121.

Sec. 324A.002. DEFINITIONS. (a) Defines “board,” “district,” “district facility,” “eligible county,” and “fee” in this chapter.

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

## SUBCHAPTER B. CREATION OF PARK AND RECREATION DISTRICT

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

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

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

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

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

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

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

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

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

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

(c) Requires the commissioners court to publish in a newspaper of general circulation in the county notice of the petition or motion and the hearing date.

(d) Requires that the notice be published at least once each week for a period of two weeks before the hearing date.

(e) Requires the commissioners court, at the hearing, to hear all arguments for and against the creation of the district and to take evidence as in civil cases in the county court.

(f) Authorizes the hearing to be adjourned from time to time on good cause shown.

Sec. 324A.023. ORDER OF ELECTION. (a) Authorizes the commissioners court, after holding a hearing under Section 324A.022, to approve the creation of the district and order an election on the issue of the creation of the district only if the court finds that:

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

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

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

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

(c) Requires a commissioners court that orders an election under this section to notify the commissioners court of the other eligible county in which the proposed district will be located of the order.

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

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

(c) Requires the returns on the election to be certified and the results declared in the same manner as provided for other county elections, except as provided by this section.

(d) Requires a commissioners court that holds an election under this section to notify the commissioners court of the other county in which the district is proposed to be located of the results of the election, including the number of voters who voted for the proposition and the number of voters who voted against the proposition.

(e) Requires the two commissioners courts jointly, after an election is held in the proposed district territory of each eligible county, to determine whether the majority of the voters voting in the proposed district as a whole voted for or against the proposition to approve the creation of the district. Requires the county commissioners courts jointly to declare the district created if a majority of the voters who voted in the proposed district as a whole voted for the proposition. Requires each commissioners court to enter the declaration in the court's minutes at the court's next meeting, or if the majority of the voters who voted in the proposed district as a whole voted against the proposition, each court shall enter in the court's minutes that the voters did not approve the creation of the district.

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

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

Sec. 324A.041. APPOINTMENT OF BOARD MEMBERS; TERMS. Provides that a district is governed by a board composed of seven members. Sets forth the selection and terms of the board members.

Sec. 324A.042. QUALIFICATIONS. Sets forth the qualifications of the board members.

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

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

(b) Requires that the bond meet certain criteria.

Sec. 324A.045. COMPENSATION AND REIMBURSEMENT. Provides that a board member is not entitled to compensation but is entitled to reimbursement for necessary expenses, including travel expenses, incurred in performing the duties of a board member. Requires that a board member's reimbursement for necessary expenses in excess of \$250 be approved by the board. Requires that a board member's approved expense account be paid in due time by the board's check or warrant.

Sec. 324A.046. QUORUM; MAJORITY VOTE. Provides that four board members constitute a quorum of the board and authorizes the board to act on the majority of the vote of the assembled quorum.

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

(b) Authorizes the commissioners courts jointly, not later than the 30th day after the date the board acts, to approve or disapprove the board's action. Provides that the act is ineffective if the court disapproves the act, and that the act otherwise

becomes effective on the earlier of the date the commissioners courts approve the act or the 31st day after the date the board acted.

Sec. 324A.048. ORGANIZATION; MEETINGS. (a) Requires the board to annually elect a president, a vice president, a secretary, and a treasurer.

(b) Authorizes the offices of secretary and treasurer to be held by the same person. Authorizes the president, if either the secretary or the treasurer is absent or unavailable, to appoint another board member to act for and perform the duties of the absent or unavailable officer.

(c) Requires the board to set times for and hold regular meetings. Authorizes the board, on the request of two or more board members, to hold a special meeting at other times as necessary.

(d) Requires the board to hold meetings at a public place in a county in which the district is located.

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 324A.061. DEPOSITORIES AND DISBURSEMENTS. (a) Provides that money and other funds belonging to or under control of the board are public funds.

(b) Requires the board to select depositories for the money.

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

Sec. 324A.062. PERSONNEL. (a) Authorizes the board to employ a manager, secretary, bookkeeper, accountant, and technical expert and any other support personnel or agent the board considers necessary.

(b) Requires the board to determine the qualifications and set the duties of employees.

(c) Authorizes the board to call on the county attorney, district attorney, or criminal district attorney of a county in which the district is located for legal services the board requires. Authorizes the board to contract for and compensate the board's own legal staff.

Sec. 324A.063. SEAL. Requires the board to adopt a seal to place on each lease, deed, or other instrument usually executed under seal and on other instruments as the board requires.

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

(b) Authorizes the board, if the contract is for an amount less than or equal to the amount prescribed by Section 262.023 (Competitive Requirements for Certain Purchases), to enter into the contract without advertisement. Provides that the contract, if the contract is for more than that amount, is subject to the bidding provisions applicable to county contracts.

(c) Requires that a contract, to be effective, be approved by board resolution; executed by the president or vice president; and attested by the secretary or treasurer.

Sec. 324A.065. SUITS. Authorizes the board to sue and be sued in the board's own name.

Sec. 324A.066. DISTRICT RULES AND ORDINANCES; CRIMINAL PENALTY. (a) Authorizes the board to adopt reasonable rules and ordinances applicable to:

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

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

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

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

(b) Provides that a person who violates a rule or ordinance adopted under this section commits an offense. Provides that an offense under this subsection is a Class C misdemeanor punishable by:

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

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

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

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

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

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

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

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

Sec. 324A.069. POWER TO ACQUIRE PROPERTY. (a) Authorizes the board, for the conservation of natural resources, to acquire land in a county in which the district is

located, in or outside the district, including a stream, a lake, submerged land, and swampland, to create a park. Authorizes the board to develop, improve, protect, and promote the land in a manner the board considers conducive to the general welfare.

(b) Authorizes the land to be acquired by gift or devise, lump-sum payment, or installment payments with or without option to purchase.

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

(d) Prohibits a commissioners court by eminent domain from acquiring land for park purposes after August 31, 2015, and subsequently transferring by any means the land or control of the land to the board for park purposes or other purposes. Prohibits the court, if a commissioners court by eminent domain acquires land for purposes other than park purposes after August 31, 2015, from transferring by any means the land or control of the land to the board for park purposes or other purposes before the 10th anniversary of the date the court acquired the land.

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

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

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

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

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

(2) accept donations of money or other property.

Sec. 324A.072. DISTRICT AS TRUSTEE. Authorizes the district, to promote or accomplish a purpose of this chapter, to act as trustee of land, money, or other property.

Sec. 324A.073. COOPERATION WITH OTHER PUBLIC AUTHORITIES. Authorizes the district, under an agreement with a public authority in control of parkland, to assume control of all or part of the parkland in the district or contiguous to the district, or to contract or cooperate with the public authority in connection with the use, development, improvement, and protection of the parkland.

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

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

(b) Requires the board to annually review and revise the master plan during the budget process and to file a copy of the master plan and revisions with the county clerk of each county in which the district is located.

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

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

Sec. 324A.076. PERMANENT IMPROVEMENTS ON LAND WITH RIVER FRONTAGE. (a) Prohibits the district from purchasing a river access location except for use as a sanitary facility, a litter receptacle, a drinking water facility, a parking lot, a road or trail, a river ingress or egress facility, an information booth, a fee collection facility, a visitor's center, or a district office.

(b) Prohibits the district, at a river access location permitted under this section, from engaging in any activity that competes with private enterprise except for the provision and operation of a permanent improvement permitted under this section.

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

#### SUBCHAPTER E. FEES; BONDS; FINANCIAL PROVISIONS

Sec. 324A.091. NO AD VALOREM TAXES. Prohibits the district from imposing an ad valorem tax.

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

(b) Requires that a fee assessed under this section be equal and uniform within classes defined by the board.

(c) Authorizes the board, except as provided by a contract entered into by the board, to determine the rate or amount of a fee charged for the use, operation, or lease of district facilities, services, or equipment. Requires that the fees be in amounts that will produce revenue at least sufficient to pay the expenses of operating and maintaining district facilities.

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

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

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

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

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

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

(e) Requires a person who holds a revenue permit issued by the district to collect the fees imposed under this section and to report and remit the collected fees to the district as the district requires.

(f) Requires the revenue permit holder, if a revenue permit holder remits fees imposed under this section after the due date but on or before the 30th day after the due date, to pay the district a penalty of five percent of the amount of fees due. Requires the revenue permit holder, if the revenue permit holder remits the fees after the 30th day after the due date, to pay the district a penalty of 10 percent of the amount of fees due.

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

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

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

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

- (1) provides or offers a rental or service for compensation in the district; and
- (2) regularly transports customers into or out of the district for river or parking access.

Sec. 324A.094. FEE EXEMPTION. Prohibits the district from collecting a fee on a transaction between a person and an interest operated by the United States in the district or a state park in the district.

Sec. 324A.095. REVENUE BOND ELECTION. (a) Prohibits revenue bonds from being issued by the district until authorized by a majority vote of the district's voters voting at an election called and held for that purpose.

(b) Authorizes the board, not later than two years after the date the district is declared created under Section 324A.024, to order a bond election. Prohibits the

order, regardless of the requirements of Section 324A.047(b), from being effective unless approved by the commissioners court of each county in which the district is located. Requires that the election, except as provided by this section, be held in the manner provided by the Election Code.

(c) Requires that the ballot, at the election, be printed to provide for voting for or against the issuance of revenue bonds.

(d) Authorizes the bonds, if a majority of the votes cast at the election favor the issuance of the bonds, to be issued by the board. Prohibits the bonds, if a majority of the votes cast at the election do not favor issuance of the bonds, from being issued.

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

(b) Authorizes the district to make the bonds payable out of any revenue of the district.

(c) Requires that the bonds be:

(1) issued in the name of the district;

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

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

(d) Requires that the seal of the commissioners court of each county in which the district is located be impressed on the bonds.

(e) Requires that the bonds mature serially or otherwise in not more than 40 years and authorizes the bonds to be sold at a price and under terms determined by the board to be the most advantageous reasonably obtainable.

(f) Authorizes the resolution authorizing the issuance of the bonds to contain provisions for redemption of the bonds before their respective maturity dates at prices and times prescribed in the resolution. Prohibits the bonds, except for rights of redemption expressly reserved in the resolution and in the revenue bonds, from being subject to redemption before maturity.

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

(h) Provides that the bonds may be made registrable as to principal or as to both principal and interest.

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

(b) Authorizes bond anticipation notes to be issued for any purpose for which bonds of the district have been voted or to refund previously issued bond anticipation notes.

(c) Requires that bond anticipation notes issued under this section be authorized by resolution of the board, subject to approval by the commissioners courts under Section 324A.047, and be executed by the president of the board and attested by the secretary of the board.

Sec. 324A.098. REFUNDING BONDS. Authorizes the district to issue refunding bonds under Chapter 1207 (Refunding Bonds), Government Code.

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

(b) Requires the board to charge or require the payment of fees under Section 324A.092 or 324A.093 while the principal of or interest on district bonds is outstanding.

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

(d) Provides that the expense of operation and maintenance of a district facility is a first lien on and charge against the income of the facility if the facility's revenues are pledged to the payment of bonds.

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

(b) Requires the financial statement to be prepared in accordance with standards adopted by the Governmental Accounting Standards Board and show separately all information concerning:

- (1) leases, promissory notes, and other indebtedness of the district; and
- (2) fee revenue of the district.

(c) Requires the board, at the time the financial statement is filed, to file with the commissioners court of each county in which the district is located a proposed budget of the board's needs for the next fiscal year. Requires the proposed budget to include items that:

- (1) the board is unable to finance from the district's revenues; and
- (2) the board requests purchase of with funds from that county.

(d) Requires the officer responsible for the county budget for each county in which the district is located to include the district's proposed budget on the calendar for the next regularly scheduled meeting of the commissioners court. Provides that, as part of the county's tentative budget, the items certified by the board are subject to state law relating to county budgets.

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

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

Sec. 324A.101. DISPOSITION OF REVENUE. Authorizes a district, in addition to any other purpose or obligation of a district, to use district fee revenue and other revenue for:

- (1) acquisition of a right-of-way that leads to or is in the district;
- (2) construction, improvement, or maintenance of a district facility or road that leads to or is in the district;
- (3) provision of law enforcement, emergency medical services, or fire protection in the district;
- (4) programs to improve the water quality and sanitary conditions in the district;
- (5) other programs that promote water-oriented recreation in the district;
- (6) acquiring insurance for the district;
- (7) hiring necessary personnel as provided by Section 324A.062;
- (8) construction of facilities to house district personnel and equipment;
- (9) leasing of property as necessary to benefit the district; and
- (10) any other lawful purpose for the benefit of the district.

Sec. 324A.102. REPLACEMENT FUND. (a) Authorizes the board to establish a replacement fund. Authorizes the board to deposit in the fund any amounts from board revenue that the board considers appropriate.

(b) Authorizes the replacement fund to be used to rebuild, restore, repair, or improve district property that is destroyed or injured or as necessary to expand, improve, demolish, repair, or replace district property because of unfitness.

(c) Authorizes the board to invest the replacement fund in bonds of the United States, this state, or a county, municipal corporation, or school district of this state.

#### SUBCHAPTER F. ANNEXATION; INCORPORATION; DISSOLUTION

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

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

- (c) Requires that the petition be signed by at least one percent of the registered voters in the area proposed for annexation.
- (d) Requires the board to give notice of a hearing on the petition and hold a hearing in the manner prescribed by Section 324A.022 for a commissioners court hearing.
- (e) Authorizes the board, after holding the hearing, to annex the area by order only if the board finds that the annexation promotes the purposes for which the district was created.
- (f) Provides that the commissioners court of the new county, if the board annexes territory into the district located in a county other than the counties in which the district was located on the date of the district's creation, is not entitled to appoint members to the district's board, disapprove board actions, or otherwise participate in the governance of the district.

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

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

- (b) Requires that the petition contain an accurate description of the area proposed for disannexation by reference to county election precinct boundaries, by metes and bounds, by lot and block number if there is a recorded map or plat and survey of the area, or by other sufficient legal description.
- (c) Requires that the petition be signed by at least one percent of the registered voters in the area proposed for disannexation or by each county commissioner for the area proposed for disannexation.
- (d) Requires the board to give notice of a hearing on the petition and hold a hearing in the manner prescribed by Section 324A.022 for a commissioners court hearing.
- (e) Authorizes the board to grant the petition and by order disannex the territory if the board finds that:
  - (1) the petition meets the requirements of this section;
  - (2) the district has not acquired or constructed a permanent improvement or facility in the area proposed for disannexation;
  - (3) the district's projected revenue from all sources, except from the area proposed for disannexation, is sufficient to pay the district's outstanding debts; and
  - (4) the disannexation is in the district's best interests.
- (f) Requires the board, except as provided by Section 324A.125(d), if the Parks and Wildlife Department creates a state park that includes territory in the district, to disannex the overlapping territory from the district by order.
- (g) Provides that the disannexation takes effect on the date stated by the order or, if the order does not state a date, on the date the order is issued.

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

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

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

(b) Requires each commissioners court that receives a petition to give notice of a hearing on the petition or motion and hold a hearing in the manner prescribed by Section 324A.022.

(c) Requires the commissioners courts to jointly grant a petition and order the dissolution of the district if the courts find that the petition, if any, meets the requirements of this section and that the dissolution is in the best interests of the counties.

Sec. 324A.125. DISSOLUTION OF DISTRICT BY BOARD. (a) Authorizes the board to by order dissolve the district. Authorizes the order to be adopted:

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

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

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

(c) Requires the board, after the hearing, to order the dissolution of the district if the board finds that the petition, if any, meets the requirements of this section and that the dissolution is in the best interests of the counties in which the district is located.

(d) Requires the board to by order to dissolve the district if the Parks and Wildlife Department creates a state park that includes:

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

(2) all of the district's territory.

Sec. 324A.126. DISPOSITION OR TRANSFER OF DISTRICT ASSETS. (a) Requires the board, if the district is dissolved, to:

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

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

(b) Provides that, if the district makes the transfer under Subsection (a)(1), the receiving counties assume the debts and obligations of the district at the time of the transfer, and the district is dissolved.

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

#### SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

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

(b) Authorizes a person to rent water-oriented recreational equipment only if each person who will use the equipment is listed on a written agreement for the rental of that equipment.

SECTION 2. Effective date: September 1, 2015.