

BILL ANALYSIS

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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

An approximately three mile stretch of the San Marcos River, east of the City of San Marcos, is visited by tens of 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 and interest in the area has grown. The particular section of the river lies within an unincorporated area and forms the border between Caldwell and Guadalupe counties. The county governments lack sufficient resources to consistently station police officers on and along the river to enforce existing state regulations related to public intoxication, underage drinking, drug use, trespassing, indecency, and littering, among other crimes. Tubers, especially those under the legal drinking age, are attracted to this stretch of river because they know state laws related to consuming alcohol frequently are not enforced.

The increased activity and lawlessness is dangerous, 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 service providers. Existing efforts by Texas Parks and Wildlife game wardens, DPS troopers, county sheriffs and constables, and local emergency response teams draw resources away from the rest of the region, leaving the citizens of the area without adequate law enforcement and emergency services coverage. What's more, excessive littering and pollution caused by some recreationists on the river is unsightly and detrimental to the river's ecosystem. Costs of cleanup may be borne by local taxpayers and volunteer efforts, which are inadequate to address the problems.

S.B. 965 allows voters in Caldwell and Guadalupe counties to create a special park and 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 public health and river conservation. The district also would be authorized to collect a minimal fee from persons who either rent river recreational equipment or use shuttle services to the river. Revenue collected by the district would be used to pay for necessary law enforcement and cleanup services.

As proposed, S.B. 965 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 and issue bonds; and creates a criminal offense.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of directors of a park and recreation district created under Chapter 324A, Local Government Code in SECTION 1 (Section 324A.067, 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 SAN MARCOS RIVER

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 324A.001. ELIGIBLE COUNTIES AND TERRITORY; PURPOSE. (a) Authorizes two counties that share a border on the San Marcos River to create a park and recreation district (district) as provided by this chapter in all or part of the counties to conserve the natural resources in the district and 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 is required to exclude all territory located in a state park.

Sec. 324A.002. DEFINITIONS. Defines "board," "district," "eligible county," and "fee."

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 is signed by a certain number of registered voters residing in the county and includes a certain accurate description of the territory to be included in the district; or

(B) passes a motion favoring creation of the district that includes a certain accurate description of the territory to be included in the district;

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

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

(b) Authorizes the district to borrow money on terms and conditions determined by the board of directors of the district (board) to pay costs incurred in the creation and organization of the district.

SUBCHAPTER C. BOARD OF DIRECTORS OF PARK AND RECREATION DISTRICT

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

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

(c) Authorizes a municipality in the district to nominate a candidate for the seventh board member position. Requires the six board members appointed under Subsection (b) to appoint a seventh board member from among the nominations or, if the board receives no nominations, to appoint a seventh board member.

(d) Requires a commissioners court to file with the county clerk of each county in which the district is located a certificate of the appointment of each board member appointed by the court. Requires the board to file with the county clerk of each county in which the district is located a certificate of the appointment of each board member appointed by the board. Provides that a certificate is conclusive evidence of the proper appointment of the board member.

(e) Requires the commissioners court of a county, before appointing a board member who succeeds an initial board member, to request from the district a report on the board members serving at that time, which is required to state certain information. Requires the district to submit the report in a timely manner.

(f) Provides that three members of the initial board serve one-year terms and four members serve two-year terms. Requires the members to draw lots to determine which members serve the one-year terms. Provides that, thereafter, each board member is appointed for a term of two years from the date of the board member's appointment.

(g) Prohibits a board member from serving more than four consecutive full terms.

Sec. 324A.042. QUALIFICATIONS. (a) Requires a board member to be a citizen of the United States and to reside in a county in which the district is located.

(b) Prohibits a board member from being an officer or employee of a county in which the district is located or of a municipality in the district.

(c) Requires at least four board members to reside, own property, or own a business in the district.

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

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 be payable to the district, payable in an amount prescribed by the district of \$5,000 or more, and conditioned that the board member will faithfully perform the duties of a board member, including the proper handling of all money that comes into the board member's hands in the board member's official capacity.

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. Provides that a board member's reimbursement for necessary expenses in excess of \$250 is required to be approved by the board. Requires the board member's approved expense account to be paid in due time by the board's check or warrant.

Sec. 324A.046. QUORUM; MAJORITY VOTE. (a) Provides that four board members constitute a quorum of the board.

(b) Provides that an affirmative vote of four members is required for board action.

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, not later than the 30th day after the date the board acts, to approve or disapprove the board's action. Provides that if one of the courts disapproves the act, the act is ineffective. Provides that, otherwise, the act becomes effective on the earlier of the date each commissioners court approves the act or the 31st day after the date the board acted.

Sec. 324A.048. ORGANIZATION; MEETINGS. (a) Requires the board annually to 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. ADMINISTRATION. (a) Authorizes the board to employ a manager and a secretary.

(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.

(d) Authorizes the district to maintain and operate an office.

(e) Authorizes the board to acquire insurance for the district.

Sec. 324A.063. SEAL. Requires the board to adopt a seal to place on certain instruments usually executed under seal.

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.

(b) Authorizes the board, if the contract is for an amount less than or equal to \$25,000, to enter into the contract without advertisement. Provides that if the

contract is for more than that amount, the contract 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. GENERAL DISTRICT POWERS. Provides that the district has all powers necessary to accomplish the purposes for which the district was created.

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

(3) traffic control in the district;

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

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

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

(b) Prohibits the district from adopting a rule or ordinance that would prevent a reasonably prudent person from operating a business that the person operated immediately before the rule or ordinance was adopted.

(c) 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.

Sec. 324A.068. 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 district to contract for or employ its own peace officers with power to make arrests when necessary to prevent or abate the commission of any offense against the rules or ordinances of the district.

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

(d) Requires a law enforcement agency operating under a district contract to submit to the district a monthly report that includes:

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

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

(e) 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.092;
- (2) the failure of a revenue permit holder to remit a fee imposed under Section 324A.092 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, safety, or welfare of a person or property in the district.

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

- (1) send 75 percent of the fine to the district and 25 percent of the fine to the county in which the court is located; and
- (2) note the docket number of the case, the name of the person fined, and the law, rule, or ordinance violated.

(b) Requires that all costs of the court be retained by the court and deposited as other fees in the proper fund.

Sec. 324A.070. BOND. Provides that, if the board brings an action to enforce this subchapter or enjoin a violation of a district rule or ordinance adopted under this subchapter, the board is not required to post a bond.

Sec. 324A.071. FIRE AND MEDICAL SERVICES. Authorizes the district to provide for fire protection and emergency medical services in the district.

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

Sec. 324A.073. CUSTOMER IDENTIFICATION. (a) Authorizes the district to require revenue permit holders to ask customers to provide a driver's license, personal identification certificate, military identification card, or passport for the purpose of identifying customers who are 21 years of age or older and provide wristbands or another method of identification to customers who are 21 years of age or older.

(b) Provides that, if the district imposes identification requirements under Subsection (a):

- (1) the district is prohibited from requiring a revenue permit holder to hold a permit required by the Alcoholic Beverage Code;
- (2) a revenue permit holder is not responsible for determining whether identification presented by a customer is valid; and
- (3) a revenue permit holder is not liable in a suit for damages for negligent performance or nonperformance of the requirements.

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

(d) Provides that a violation of a requirement adopted under this section is not an offense.

Sec. 324A.074. GRANTS AND GRATUITIES. Authorizes the board, to promote or accomplish a purpose of this chapter, to accept grants or gratuities in any form from any source, including the United States government, this state, a private or public corporation, or any other person; or accept donations of money or other personal property.

Sec. 324A.075. MANAGEMENT PLAN; ANNUAL BUDGET; FILING. (a) Requires the board to develop and approve a three-year master plan for the management of the district.

(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 is required to 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 to file a copy with the county clerk.

Sec. 324A.076. CONTRIBUTIONS FOR ROADS. Authorizes the board, if the board has excess revenue, to make a contribution from the excess revenue to the general fund of a county in which the district is located or to the general fund of a municipality for the purposes of construction, improvement, or maintenance of a road that leads to or is in the district.

Sec. 324A.077. NO PROMOTION. Prohibits the district from promoting or advertising for a specific recreational river activity.

Sec. 324A.078. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

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 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 and expenses of the district. Prohibits the district from imposing a fee other than a fee described by this section.

(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 \$4 per person for each rental of water-oriented recreational equipment or 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 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 a revenue holder, if the 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 pursue any 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) Requires a revenue permit holder to maintain records of fee receipts, monthly gross income from fees collected, and written rental agreements for at least five years after the date of the associated transaction and to allow the district to inspect the records.

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

(l) Authorizes the board to suspend, revoke, or cancel a revenue permit if the board finds that the permit holder has violated this chapter, a district rule or ordinance, or a district requirement adopted under this chapter.

(m) Provides that in the same manner that this section applies to a person who provides or offers a rental or service for compensation in the district, this section applies to a person who resides or does business outside the district but provides or offers a rental or service for compensation in the district and regularly transports customers into or out of the district for river or parking access.

Sec. 324A.093. FEE EXEMPTION. Prohibits the district from collecting a fee on a transaction between a person and an interest operated in the district by the United States or a state park.

Sec. 324A.094. 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 to order a bond election. Provides that, regardless of the requirements of Section 324A.047(b), the order is not 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 ballots, 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.095. REVENUE BONDS. (a) Authorizes the district to make revenue bonds payable out of any revenue of the district.

(b) Requires that the bonds be issued in the name of the district, be signed by the county judge of each county in which the district is located, and be attested by the county clerk and ex officio clerk of the commissioners court of each county in which the district is located.

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

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

(e) 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. Provides that, except for rights of redemption expressly reserved in the resolution and in the revenue bonds, the bonds are not subject to redemption before maturity.

(f) Authorizes the bonds to be made payable at times and at places, inside or outside the state, prescribed in the resolution.

(g) Authorizes the bonds to be made registrable as to principal or as to both principal and interest.

Sec. 324A.096. 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 to issue negotiable bond anticipation notes to borrow the money needed. Authorizes the bond anticipation notes to bear interest at a rate that does not exceed the maximum rate provided by Chapter 1204 (Interest Rate), Government Code, and requires the notes to mature within one year after their date of issuance.

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

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

Sec. 324A.097. REFUNDING BONDS. Authorizes the district to issue refunding bonds under Chapter 1207 (Refunding Bonds), Government Code.

Sec. 324A.098. REPAYMENT OF DEBT THROUGH FEE REVENUE. (a) Provides that this section applies only to fees charged by the district while the district has outstanding loans, bonds, or interest.

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

(c) Requires the board, subject to the maximum fee amount prescribed by Section 324A.092(b), 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. Defines "debt service."

Sec. 324A.099. FINANCIAL STATEMENT; BUDGET. (a) Requires the board to, on or before February 1 of each year, 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 that the financial statement be prepared in accordance with standards adopted by the Governmental Accounting Standards Board and show separately all information concerning leases, promissory notes, and other indebtedness of the district and 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 that the proposed budget include items that the board is unable to finance from the district's revenues and that 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.

Sec. 324A.100. DISPOSITION OF REVENUE. Authorizes a district to use district fee revenue and other revenue for any purpose authorized by this chapter or other law for the benefit of the district.

SUBCHAPTER F. INCORPORATION; ANNEXATION; DISSOLUTION

Sec. 324A.121. 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.122. 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 in a certain manner.

(c) Requires that the petition be signed by at least five 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's projected revenue from all sources, except from the area proposed for disannexation, is sufficient to pay the district's outstanding debts; and

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

(f) Requires the board, except as provided by Section 324A.124(d), if a state park is created that includes territory in the district, by order to disannex the overlapping territory from the district.

(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.123. 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 on a motion by a commissioners court or after the filing of a written petition with each county in which the district is located signed by a certain number of the registered voters who reside in the district.

(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.124. DISSOLUTION OF DISTRICT BY BOARD. (a) Authorizes the board by order to dissolve the district. Authorizes the order to be adopted on the board's own motion or after the filing of a written petition signed by a certain number of the registered voters who reside in the district.

(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 by order to dissolve the district if a state park is created that includes all of the district's territory located in one of the counties in which the district is located or all of the district's territory.

Sec. 324A.125. DISPOSITION OF DISTRICT ASSETS AND DEBTS. (a) Requires the board, if the district is dissolved, to administer the assets and debts, and charge fees as provided by Section 324A.098, until all money has been disposed of and all district debts have been paid or settled.

(b) Provides that the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

SECTION 2. Effective date: upon passage or September 1, 2017.