PRELIMINARY DRAFT

TEXAS LEGISLATIVE COUNCIL Special District Local Laws Code Chapter 9305 12/6/24

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19	CHAPTER 9305. ESCONDIDO WATERSHED DISTRICT
20	SUBCHAPTER A. GENERAL PROVISIONS
21	Revised Law
22	Sec. 9305.0101. DEFINITIONS. In this chapter:
23	(1) "Board" means the district's board of directors.
24	(2) "Director" means a board member.
25	(3) "District" means the Escondido Watershed
26	District. (Acts 57th Leg., R.S., Ch. 364, Sec. 1 (part); New.)
27	Source Law
28 29 30 31	Sec. 1 [there is hereby created a conservation and reclamation district] to be known as "Escondido Watershed District" (hereinafter referred to as "District"),
32	Revisor's Note
33	The definitions of "board" and "director" are
34	added to the revised law for drafting convenience and
35	to eliminate frequent, unnecessary repetition of the

1 substance of the definitions.

2 <u>Revised Law</u>

- 3 Sec. 9305.0102. NATURE OF DISTRICT. The district is:
- 4 (1) a conservation and reclamation district created
- 5 under Section 59, Article XVI, Texas Constitution; and
- 6 (2) a political subdivision of this state. (Acts 57th
- 7 Leg., R.S., Ch. 364, Sec. 1 (part).)

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8 <u>Source Law</u>

Sec. 1. Pursuant to and as expressly authorized by Section 59, Article XVI of the Constitution of the State of Texas and in addition to all other districts into which the State has been divided heretofore, there is hereby created a conservation and reclamation district . . . which shall be recognized to be a governmental agency, a body politic and corporate, and a political subdivision of this State.

Revisor's Note

- (1)Section 1, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that "in addition to all other districts into which the State has been divided heretofore," the district is "hereby created." The revised law omits the reference to the district's creation "in addition to all districts into which the State has been divided heretofore" because the absence of the language does not imply that the legislature could create a district outside this state or that the district is not in addition to other districts created in this state. The revised law omits the reference to the district being "hereby created" as executed.
- (2) Section 1, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, refers to the district as "a governmental agency" and "a body politic and corporate." The revised law omits those references because they duplicate part of Section 59(b), Article XVI, Texas Constitution.

1 Revised Law

- 2 Sec. 9305.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.
- 3 (a) The district is:
- 4 (1) created to serve a public use and benefit; and
- 5 (2) essential to the accomplishment of the
- 6 preservation and conservation of this state's natural resources.
- 7 (b) All land in the district will benefit from the district.
- 8 (c) All territory in the district will benefit from the
- 9 works and improvements accomplished and provided by the district
- 10 under the powers conferred by this chapter and Section 59, Article
- 11 XVI, Texas Constitution.
- 12 (d) This chapter addresses a subject in which this state and
- 13 the general public are interested.
- 14 (e) The district performs an essential public function
- 15 under the Texas Constitution in carrying out the purposes of this
- 16 chapter because the accomplishment of those purposes is for the
- 17 benefit of the people of this state and the improvement of their
- 18 properties and industries. (Acts 57th Leg., R.S., Ch. 364, Secs. 3
- 19 (part), 4 (part), 15 (part), 16 (part).)

20 <u>Source Law</u>

- Sec. 3. It is expressly determined and found that all of the territory included within the area of the District will be benefited by the works and improvements which are to be accomplished and provided by the District pursuant to the powers conferred by the provisions of Article XVI, Section 59, of the Constitution of Texas and this Act. . . .
- Sec. 4. It being hereby found and determined that all of the land included within the boundaries of the District will be benefited and that the District is created to serve a public use and benefit, . . .
- Sec. 15. The accomplishment of the purposes stated in this Act being for the benefit of the people of this State and for the improvement of their properties and industries, the District in carrying out the purposes of this Act will be performing an essential public function under the Constitution and
- Sec. 16. [The Legislature hereby declares that the enactment hereof is in fulfillment of a duty conferred upon it by Section 59 of Article XVI of the Constitution of Texas wherein it is required to pass such laws as may be appropriate] in the preservation and conservation of the natural resources of the State; that the District herein created is essential to the accomplishment of such purposes and that this

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Act therefore operates on a subject in which the State and the public at large are interested. . . .

3 <u>Revisor's Note</u>

4 Section 16, Chapter 364, Acts of the 57th 5 Legislature, Regular Session, 1961, contains legislative declaration of a constitutional "duty" to 6 enact Chapter 364 as a law. The revised law omits the 7 declaration by the legislature as executed and because 8 it has no substantive effect. The omitted law reads: 9

> The Sec. 16. Legislature hereby declares that the enactment hereof is in fulfillment of a duty conferred upon it by 59 Article of XVI Section of the Constitution of Texas wherein it is required to pass such laws as may appropriate...

17 Revised Law

Sec. 9305.0104. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:

- (1) Subchapter J, Chapter 49, Water Code; or
- 23 (2) other law.
- (b) The district includes all property and territory in the district's boundaries. (Acts 57th Leg., R.S., Ch. 364, Sec. 3

26 (part); New.)

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27 Source Law

Sec. 3. . . . The area of the District shall consist of the property and territory embraced within the following boundaries, to wit: . . .

31 <u>Revisor's Note</u>

The revised law does not revise the statutory
language describing the district's territory to avoid
the lengthy recitation of the description and because
that description may not be accurate on the effective
date of the revision or at the time of a later reading.

For the reader's convenience, the revised law includes
a reference to:

39 (1) the statutory authority to change the

- district's territory under Subchapter J, Chapter 49,
- Water Code, applicable to the district under Sections
- 3 49.001 and 49.002 of that code; and
- 4 (2) the legislature's general authority to enact 5 other laws under which the district's territory may be
- 6 changed.

7 Revised Law

Sec. 9305.0105. CORRECTION OF INVALID PROCEDURES. If a 9 court holds that any procedure under this chapter violates the 10 United States Constitution or the Texas Constitution, the district 11 by resolution may provide an alternative procedure that conforms

12 with that constitution. (Acts 57th Leg., R.S., Ch. 364, Sec. 17

13 (part).)

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14 Source Law

Sec. 17. . . . [Federal or State Constitutions] . . . Where any procedure hereunder may be held by any Court to be violative of either of such Constitutions the District shall have the power by resolution to provide an alternative procedure conformable to such Constitutions. . . .

Revisor's Note

Section 17, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the act may not be construed to violate the federal or state constitution and requires that action under the act comply with the constitutions. The revised law omits as unnecessary the statement that the act may not be construed to violate the constitutions because Section 311.021(1), Government Code under (Code Construction Act), it is presumed that, in enacting a statute, compliance with the constitutions of the United States and this state is intended. The revised law omits as unnecessary the statement that actions done under the act must conform to the constitutions for the following reasons. The revised law omits the provision as it relates to the federal constitution

because under the Supremacy Clause of the United 1 States Constitution (Clause 2, Article VI), federal law takes precedence over a state statute. The revised law omits the provision as it relates to the state constitution because the state legislature cannot modify a constitutional provision by statute. omitted law reads:

> Sec. 17. Nothing in the Act shall be construed to violate any provision of the Federal or State Constitutions and all acts done under this Act shall be done in such manner as will conform thereto whether herein expressly provided or not.

Section 17, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board "shall have the power" to provide an alternative procedure by resolution. Throughout this chapter, in this and similar contexts, the revised law substitutes "may" or "has" for the quoted or similar language because the language has the same meaning and "may" or "has" are more commonly used.

Revised Law

Sec. 9305.0106. LIBERAL CONSTRUCTION OF CHAPTER. 2.3 This 24 chapter shall be liberally construed to effectuate the chapter's purposes. (Acts 57th Leg., R.S., Ch. 364, Sec. 16 (part).) 25

26 Source Law

27 All the terms and provisions of Sec. 16. the Act are to be liberally construed to effectuate the 28 29 purposes herein set forth.

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS 30

31 Revised Law

Sec. 9305.0201. COMPOSITION OF BOARD. The board consists 32 of five elected directors. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(a) 33

35 Source Law

36 Sec. 5. (a) All powers of the District shall be exercised by a Board of five (5) Directors. . 37

38 Revisor's Note

(part); New.)

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- (1) Section 5(a), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that "[a]ll powers of the District shall be exercised by" the board. The revised law omits the quoted language because it duplicates, in substance, parts of Sections 49.051 and 49.057, Water Code, which provide that a district is governed by its board and the board is responsible for the district's management. Throughout this chapter, the revised law omits law that is superseded by or duplicates law in Chapter 49, Water Code, applicable to the district under Sections 49.001 and 49.002 of that code.
- Section 5(a), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board consists of five directors. The revised law adds a reference to the directors being "elected" for the reader's convenience and because it is clear from Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, revised relevant part as Section 9305.0203 of this chapter, that the directors are elected.
- Section 5(a), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that directors serve the terms of office provided Chapter 364 and until the director's successor elected or appointed and qualified. Section 5(b) of that chapter establishes staggered two-year terms for directors. The revised law omits the term provisions as superseded by Section 49.103, Water Code (enacted Section 49.103(a) provides that directors in 1995). serve staggered four-year terms, and Section 49.103(b) requires director elections to be held in each even-numbered year. The revised law omits the qualification requirement successor because it

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1 duplicates Section 17, Article XVI, Texas Constitution, which provides that an officer in this 2 3 state shall continue to perform the officer's duties 4 until a successor has qualified. The omitted law 5 reads:

(a) . . . Each Director shall serve for his term of office as herein provided, and thereafter until his successor shall be elected or appointed and qualified. . . .
(b) . . . Two (2) Directors shall be elected in each even numbered year and three (3) in each odd numbered year . . .

Revised Law

Sec. 9305.0202. QUALIFICATIONS. A director must:

- (1) be at least 18 years of age; and
- 16 (2) reside in and own land in the district. (Acts 57th
- 17 Leg., R.S., Ch. 364, Sec. 5(a) (part).)

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18 <u>Source Law</u>

19 (a) . . . No person shall be a Director unless 20 he is at least twenty-one (21) years of age, resides in 21 and owns land in the territorial limits of the 22 District. . .

Revisor's Note

Section 5(a), Chapter 364, Acts of the 57th 24 Legislature, Regular Session, 1961, states that a 25 26 person must be "at least twenty-one (21) years of age" 27 to serve as a director. The revised law substitutes "at least 18 years of age" for the quoted language because 2.8 Section 129.001, Civil Practice and Remedies Code, 29 30 establishes 18 years of age as the age of majority in Section 129.002, Civil Practice and 31 this state. Remedies Code, provides that a law adopted before 32 August 27, 1973, that extends a right, privilege, or 33 obligation to an individual on the basis of a minimum 34 age of 19, 20, or 21 years shall be interpreted as 35 36 prescribing a minimum age of 18 years. Section 5 was 37 enacted in 1961, and the part of that section relating to a minimum age of 21 years has not been amended. 38

Revised Law

Sec. 9305.0203. NOTICE OF ELECTION. Notice of a directors'

legential election must be published once in a newspaper of general

circulation in the district at least 30 days before the election

date. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(b) (part).)

Source Law

(b) [An election of Directors shall be held]
... Notice of the election shall be published in a
newspaper of general circulation in said District one
(1) time at least thirty (30) days before the election.

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Revisor's Note

- (1) Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that director elections shall be held annually "on the first Saturday in April." The revised law omits that provision as superseded by Section 49.103(b), Water Code, which requires board elections to be held on the uniform election date provided by Section 41.001, Election Code, in May of each even-numbered year. Section 49.103(e), Water Code, provides that in all areas of conflict Section 49.103(b) take precedence over all prior statutory enactments. The omitted law reads:
 - (b) An election of Directors shall be held on the first Saturday in April of each year. . . \cdot
- Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board shall order the election of directors. The revised law omits that provision it because duplicates, in substance, Section 3.004(a)(3), Election Code, which requires the governing body of a political subdivision that has elective offices to order the general election for those officers. Throughout this chapter, the revised law omits law that is superseded by or duplicates law in the Election

- Code (enacted in 1985), applicable to the district under Section 1.002 of that code. The omitted law reads:
 - (b) . . . The yearly election shall be ordered by the Board of Directors. . . .
 - (3) Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, requires notice of a directors' election to include the "time, place and purpose of the election." The revised law omits that provision because it duplicates parts of Section 4.004, Election Code. The omitted law reads:
 - (b) . . . The election order shall state the time, place and purpose of the election, and . . .
 - (4) Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides for the appointment of a presiding judge, an assistant judge, and clerks. The revised law omits that provision as superseded by Chapter 32, Election Code, which provides for the selection of election judges and clerks. The omitted law reads:
 - (b) . . . the Board of Directors of said District shall appoint a presiding judge who shall appoint an Assistant Judge and two (2) Clerks to assist in holding the election. . .
 - Section 5(b), Chapter 364, Acts of the 57th (5) Legislature, Regular Session, 1961, provides that only qualified electors who reside in the district are entitled to vote at a directors' election. The revised law omits that provision and similar language throughout this chapter because it duplicates, in substance, Sections 11.001(a)(1) and (2), Election Code, which provide that to be eligible to vote in an election a person must be a qualified voter as defined by Section 11.002, Election Code, and be a resident of the territory covered by the election. The revised law

- substitutes "voters" for "electors" because the terms
 have the same meaning and "voters" is more commonly
 used. The omitted law reads:
 - (b) . . . Only qualified electors residing in the District shall be entitled to vote at said election. . . .
 - (6) Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the candidates receiving the highest number of votes are elected. The revised law omits that provision because it duplicates, in substance, Section 2.001, Election Code, which provides that, except as otherwise provided by law, to be elected to a public office, a candidate must receive more votes than any other candidate for the office. The omitted law reads:
 - (b) . . . The candidates receiving the highest number of votes shall be declared elected. . .
 - (7) Section 5(b), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board shall receive and canvass the election returns and enter an order declaring the results. The revised law omits that provision as superseded by Chapter 67, Election Code, which provides for the canvass of elections. The omitted law reads:
 - (b) ... The returns of the election shall be made to and canvassed by the Board of Directors of said District, who shall enter an order declaring the results of the election.

31 Revised Law

- Sec. 9305.0204. BALLOT PETITION. (a) A person who wants the person's name printed on the ballot as a candidate for director must submit to the board's secretary a petition requesting that action.
- 36 (b) The petition must be signed by at least 10 residents of 37 the district who are qualified to vote at the election. (Acts 57th 38 Leg., R.S., Ch. 364, Sec. 5(c) (part).)

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Source Law

(c) Any candidate for Director desiring to have his name printed on the ballot may do so by a petition so requesting signed by not less than ten (10) residents of the District who are qualified to vote at the election. Such petition shall be presented to the secretary of the Board of Directors. . . .

Revisor's Note

Section 5(c), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that a petition to be on the ballot as a candidate for director must be presented not less than 10 days before the election. The revised law omits that provision as superseded by Section 144.005, Election Code (enacted in 1985), which provides the deadlines for filing an application for candidacy for the governing body of a political subdivision. Under Section 141.032, Election Code, a petition is considered part of the application for filing for candidacy. The omitted law reads:

(c) ... The petition shall be presented on such date as will allow not less than ten (10) full days between the date of presentation and the date of election.

26 <u>Revised Law</u>

Sec. 9305.0205. OFFICERS. (a) The board shall elect from the board's membership a president, a vice president, and any other officers the board determines necessary.

30 (b) The board shall appoint a secretary and a treasurer, who 31 are not required to be directors. The board may combine the offices 32 of secretary and treasurer. (Acts 57th Leg., R.S., Ch. 364, Sec. 33 5(f) (part).)

34 Source Law

(f) The Board of Directors of the District shall elect from its number a President and a Vice President, and such other officers as in the judgment of the Board are necessary. . . . The Board shall also appoint a Secretary and a Treasurer who may or may not be members of the Board and it may combine those offices. . . .

1	Revisor's Note	
2	Section 5(f), Chapter 364, Acts of the 57th	
3	Legislature, Regular Session, 1961, establishes the	
4	duties of the board president. The revised law omits	
5	that provision because it duplicates, in substance,	
6	Section 49.054(c), Water Code, which provides that the	
7	president is the district's chief executive officer	
8	and presides at all board meetings. The omitted law	
9	reads:	
LO L1 L2	(f) The President shall be the chief executive officer, and the presiding officer of the Board, and	
L3	Revised Law	
L4	Sec. 9305.0206. VOTE BY PRESIDENT. The president has the	
L5	same right to vote as any other director. (Acts 57th Leg., R.S.,	
L6	Ch. 364, Sec. 5(f) (part).)	
L7	Source Law	
L8 L9	(f) [The President] shall have the same right to vote as any other director	
20	Revised Law	
21	Sec. 9305.0207. ABSENCE OR INACTION OF PRESIDENT. When the	
22	president is absent or fails or declines to act, the vice presiden	
23	shall perform all duties and exercise all powers this chapter	
24	confers on the president. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(f)	
25	(part).)	
26	Source Law	
27 28 29 30	(f) The Vice President shall perform all duties and exercise all power conferred by this Act upon the President when the President is absent or fails or declines to act	
31	Revised Law	
32	Sec. 9305.0208. DIRECTOR'S BOND. Each director shall give	
33	bond in the amount of \$5,000 conditioned on the faithful	
34	performance of the director's duties. (Acts 57th Leg., R.S., Ch.	
35	364, Sec. 5(a) (part).)	
36	Source Law	
37	(a) [Such Directors] each shall give	

1 2	bond in the amount of Five Thousand Dollars (\$5,000) for the faithful performance of his duties,		
3	Revisor's Note		
4	Section 5(a), Chapter 364, Acts of the 57th		
5	Legislature, Regular Session, 1961, provides that the		
6	district shall pay the cost of a director's bond. The		
7	revised law omits that provision because it duplicates		
8	part of Section 49.055(c), Water Code. The omitted law		
9	reads:		
10 11 12	the cost of which shall be paid by the		
13	Revised Law		
14	Sec. 9305.0209. EMPLOYEES. The board may employ a general		
15	manager, attorneys, accountants, engineers, or other technical or		
16	nontechnical employees or assistants and set the amount and manne		
17	of their compensation. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(g		
18	(part).)		
19	Source Law		
20 21 22 23 24	general manager, attorneys, accountants, engineers, or other technical or nontechnical employees or assistants; fix the amount and manner of their		
25	Revisor's Note		
26	Section 5(g), Chapter 364, Acts of the 57th		
27	Legislature, Regular Session, 1961, provides that the		
28	board may "fix" the amount and manner of employee		
29	compensation. The revised law substitutes "set" for		
30	"fix" because, in context, the terms have the same		
31	meaning and "set" is more commonly used.		
32	Revised Law		
33	Sec. 9305.0210. EXPENDITURES. The board may provide for		
34	the payment of expenditures considered essential to the proper		
35	operation and maintenance of the district and the district's		
36	affairs. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(g) (part).)		
37	Source Law		
38	(g) [The Board of Directors may]		

2	essential to the proper operation and maintenance of the District and its affairs.	
4	Revised Law	
5	Sec. 9305.0211. SEAL. The board may adopt a seal for the	
6	district. (Acts 57th Leg., R.S., Ch. 364, Sec. 5(f) (part).)	
7	Source Law	
8 9	(f) The Board may adopt a seal for the District.	
10 11	<u>Revisor's Note</u> (<u>End of Subchapter</u>)	
12	(1) Section 5(a), Chapter 364, Acts of the 57th	
13	Legislature, Regular Session, 1961, requires each	
14	director to take the constitutional oath of office.	
15	The revised law omits that provision because it	
16	duplicates Section 1, Article XVI, Texas Constitution.	
17	The omitted law reads:	
18 19 20	(a) Such Directors shall subscribe to the Constitutional oath of office and	
21	(2) Section 5(a), Chapter 364, Acts of the 57th	
22	Legislature, Regular Session, 1961, provides that a	
23	majority of the directors constitutes a quorum. The	
24	revised law omits that provision because it duplicates	
25	Section 49.053, Water Code. The omitted law reads:	
26 27	(a) [Such Directors] A majority shall constitute a quorum.	
28	(3) Section 5(d), Chapter 364, Acts of the 57th	
29	Legislature, Regular Session, 1961, describes the	
30	procedure for filling a board vacancy. The revised law	
31	omits that provision because it duplicates, in	
32	substance, Section 49.105, Water Code, which	
33	establishes procedures for filling a board vacancy.	
34	The omitted law reads:	
35 36 37 38	(d) Any vacancies occurring in the Board of Directors shall be filled for the unexpired term by majority vote of the remaining Directors.	

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(4) Section 5(e), Chapter 364, Acts of the 57th

Legislature, Regular Session, 1961, provides that a director may receive fees not to exceed \$10 for each board meeting or \$20 for board meetings held in the calendar month. The revised law omits that same provision for the following reasons. Section 49.060, Water Code, also provides for a director's fees of office, computed on a rate per day of certain service. Section 49.060(a), Water Code, requires the board to adopt a resolution setting the fees of office in accordance with the requirements of Section 49.060. Section 49.060(e), Water Code, provides that, in all areas of conflict, Section 49.060 takes precedence over all prior statutory enactments. The omitted law reads:

- (e) The Directors may receive such fees for attending Board meetings as may be established by unanimous vote of the Board, but not to exceed Ten Dollars (\$10) for each meeting and no more than Twenty Dollars (\$20) for meetings held in any one calendar month. . . .
- (5) Section 5(e), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides for reimbursement of a director's actual expenses incurred when conducting district business if approved by the board. The revised law omits the provision because it is superseded by Sections 49.060(b) and (c), Water Code, which authorize reimbursement of a director's expenses if certain conditions are met. Section 49.060(e), Water Code, provides that, in all areas of conflict, Section 49.060 takes precedence over all prior statutory enactments. The omitted law reads:
 - (e) . . . Said Directors shall also be entitled to receive reimbursement for actual expenses incurred in attending to District business provided that such services and expenses are approved by the Board.

SUBCHAPTER C. POWERS AND DUTIES

Revised Law Sec. 9305.0301. GENERAL POWERS. The district may: (1) control, store, and distribute the water

- 3 (1) control, store, and distribute the water and flood
- 4 water in the district for or in aid of conserving, preserving,
- 5 reclaiming, and improving the land and soil in the district;
- 6 (2) carry out flood prevention measures to prevent or
- 7 aid in preventing damage to land and soil and the fertility of the
- 8 land and soil;
- 9 (3) engage in land treatment measures to prevent
- 10 deterioration, erosion, and loss of land and soil;
- 11 (4) carry out preventive and control measures in the
- 12 district;
- 13 (5) construct, acquire, improve, carry out, maintain,
- 14 repair, and operate dams, structures, projects, and works of
- 15 improvement for:
- 16 (A) flood prevention, including structural and
- 17 land treatment measures;
- 18 (B) agricultural and land treatment measures;
- 19 and

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- (C) agricultural phases of the conservation,
- 21 development, use, and disposal of water in the district; and
- 22 (6) purchase or acquire other facilities and equipment
- 23 necessarily connected with the functions described by Subdivision
- 24 (5) and engage in activities necessary to carry out those
- 25 functions. (Acts 57th Leg., R.S., Ch. 364, Sec. 2 (part).)

26 Source Law

Sec. 2. The District herein created shall be and hereby it empowered to is control, store and waters and floodwaters distribute the within preservation, District for the conservation, reclamation and improvement of the soil and lands or in aid thereof within the District; to carry out flood prevention measures to prevent or aid in the prevention of damage to land and soil and the fertility thereof; to engage in land treatment measures prevent deterioration, erosion and loss of land and soil; to carry out preventive and control measures within the District; to construct, acquire, improve, maintain, out, carry repair and operate structures, projects and works of improvement for prevention (including structural and land

treatment measures) and for agricultural and land treatment measures and for agricultural phases of the conservation, development, utilization and disposal of water within the District and to purchase or acquire other facilities and equipment necessary in connection therewith and to engage in activities necessary to carry out these functions; . . .

Revised Law

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- 9 Sec. 9305.0302. EMINENT DOMAIN. (a) To carry out a power 10 conferred by this chapter, the district may exercise the power of 11 eminent domain to acquire land and easements in the district.
- 12 (b) The district must exercise the power of eminent domain 13 in the manner provided by Chapter 21, Property Code.
- 14 (c) The board shall determine the amount and type of 15 interest in land and easements to be acquired under this section.
- 16 (d) The district's authority under this section to exercise 17 the power of eminent domain expired on September 1, 2013, unless the 18 district submitted a letter to the comptroller in accordance with 19 Section 2206.101(b), Government Code, not later than December 31, 20 2012. (Acts 57th Leg., R.S., Ch. 364, Sec. 6 (part); New.)

21 Source Law

Sec. 6. For the purpose of carrying out any power or authority conferred by this Act, the District shall have the right to acquire land and easements within the District by condemnation in the manner provided by Title 52 Revised Civil Statutes, as amended, relating to eminent domain. The amount of and character of interest in land and easements thus to be acquired shall be determined by the Board of Directors. . .

Revisor's Note

- (1) Section 6, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the district has the right to acquire certain property by condemnation for the purpose of carrying out any "power or authority" conferred by that Act. Throughout this chapter, in this and similar contexts, the revised law omits "authority" as included in the meaning of "power."
- (2) Section 6, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that "the

- District shall have the right to acquire [certain property] by condemnation." The revised law substitutes "the district may exercise the power of eminent domain to acquire [certain property]" for the quoted language because the phrases have the same meaning and the latter is consistent with modern usage in laws relating to eminent domain.
- Section 6, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, refers to Title 52, Revised Civil Statutes, as amended. The relevant provisions of Title 52 were codified as Chapter 21, Property Code. The revised law is drafted accordingly. The revised law omits the reference to "as amended" because under Section 311.027, Government Code (Code Construction Act), unless expressly provided otherwise, a reference to a statute applies to all reenactments, revisions, or amendments of the statute.
- Section 6, Chapter 364, Acts of the 57th (4)Legislature, Regular Session, 1961, grants the district eminent domain authority, subject to certain Section 2206.101, Government Code, limitations. required an entity with eminent domain authority to submit a letter with certain information to the comptroller not later than December 31, 2012, to prevent the entity's eminent domain authority from expiring on September 1, 2013. To avoid the appearance that this revision recognizes authority that the district may not possess at the time of the revision, the revised law includes a provision setting out the requirements of Section 2206.101, Government Code.

32 Revised Law

- 33 Sec. 9305.0303. COST OF RELOCATING OR ALTERING PROPERTY.
- 34 (a) In this section, "sole expense" means the actual cost of

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- 1 relocating, raising, lowering, rerouting, changing the grade of, or
- 2 altering the construction of a facility described by Subsection (b)
- 3 in providing comparable replacement without enhancing the
- 4 facility, after deducting from that cost the net salvage value
- 5 derived from the old facility.
- 6 (b) If the district's exercise of the power of eminent
- 7 domain, the power of relocation, or any other power granted by this
- 8 chapter makes necessary relocating, raising, rerouting, changing
- 9 the grade of, or altering the construction of a highway, railroad,
- 10 electric transmission line, telephone or telegraph property or
- 11 facility, or pipeline, the necessary action shall be accomplished
- 12 at the district's sole expense. (Acts 57th Leg., R.S., Ch. 364,
- 13 Sec. 6 (part).)

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14 Source Law

Sec. 6. . . . In the event that the District, in the exercise of the power of eminent domain or power of relocation, or any other power granted hereunder, makes necessary the relocation, raising, re-routing or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph properties and facilities, or pipeline, all such necessary relocation, raising, re-routing, changing of grade or alteration of construction shall be accomplished at the sole expense of the District.

of the District.

The term "sole expense" shall mean the actual such cost of relocation, raising, lowering, re-routing, or change in grade or alteration of construction in providing comparable replacement enhancement of such facilities, without after deducting therefrom the net salvage value derived from the old facility.

33 Revised Law

34 Sec. 9305.0304. SURVEYS AND INVESTIGATIONS. The board may

- 35 conduct a survey or an engineering investigation to provide
- 36 information for the district to facilitate the accomplishment of a
- 37 purpose for which the district is created. (Acts 57th Leg., R.S.,
- 38 Ch. 364, Sec. 5(g) (part).)

39 Source Law

(g) The Board of Directors, from time to time, shall be authorized to make or cause to be made surveys and engineering investigations for the information of the District to facilitate the accomplishment of the purposes for which the District is created; and

Revisor's Note

- (1) Section 5(g), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board may conduct certain surveys or investigations "from time to time." The revised law omits the quoted language because the authority to take an action implies the authority to take the action at any time.
- (2) Section 5(g), Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board may "make or cause to be made" certain surveys and engineering investigations. The revised law substitutes "conduct" for the quoted language because, in context, the language has the same meaning and "conduct" is more commonly used.

Revised Law

Sec. 9305.0305. POWER TO QUALIFY FOR BENEFITS UNDER OTHER LAW. The district has the power necessary to fully qualify for and gain the full benefits of any law helpful in carrying out the purposes for which the district is created. (Acts 57th Leg., R.S., Ch. 364, Sec. 2 (part).)

Source Law

Sec. 2. . . . it being the intention of the Legislature that the District herein created shall have all the power and authority necessary to fully qualify and gain the full benefits of any and all such laws which are in any wise helpful in carrying out the purposes for which the District is created and

Revisor's Note

(1) Section 2, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, authorizes the district to cooperate with certain entities to implement the act, and specifically authorizes the district to cooperate with state and federal entities to receive benefits under Public Law 566, 83rd Congress, Chapter 656, 2nd Session, H.R. 6788, as amended, now codified as the Watershed Protection and

Flood Prevention Act (16 U.S.C. Section 1001 et seq.), and any state law. The revised law omits that provision because it duplicates other law. To the extent the provision authorizes the district to receive various benefits under the Watershed Protection and Flood Prevention Act and any state law, it duplicates, in substance, a later part of Section 2, revised as this section, which provides that the district has the power necessary to fully qualify and gain the full benefits of any law, including that act and any state law, that is helpful in carrying out the purposes for which the district is created. To the extent the provision authorizes the district to cooperate with entities receive those benefits, certain to duplicates, in substance, Section 49.227, Water Code, which provides the district with the power to act jointly with any person or entity in the performance of any of the powers permitted by law. The omitted law reads:

> [The District herein created Sec. 2. shall be and it is hereby empowered] . co-operate with other districts, county officials, conservation officials and personnel of the county, State and Federal Government, State Soil Agricultural Conservation Board, State Department, Secretary of Agriculture of the United States, and other county, State and Federal agencies and departments in order out the purposes of this to carry out the pur Without limiting the Act. generality of foregoing the District shall be and it is hereby empowered to co-operate with the Federal Government, and agencies, departments and representatives aid, getting assistance, benefits, grants, credit and money as provided in Public Law 566, Eighty-third Congress, Chapter 656, Second Session H.R. 6788, and amendments thereto, and as may now hereafter be provided by any laws of the State of Texas, . . .

(2) Section 2, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that "it being the intention of the Legislature that the

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District herein created" shall have certain powers. The revised law omits the quoted language as unnecessary because it is implied that a statute expresses the intent of the legislature and also because the creation of the district has already been accomplished.

(3) Section 2, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that certain laws of which the district may avail itself are adopted by reference and made applicable to the district. The revised law omits that provision as unnecessary because a law of which the district may lawfully avail itself applies to the district on its own terms without needing to be adopted or made applicable by reference under any additional law. The omitted law reads:

Sec. 2. . . the provisions of all such laws of which the District may lawfully avail itself are hereby adopted by this reference and made applicable to the District.

<u>Revisor's Note</u> (End of Subchapter)

Section 2, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the district may acquire various property interests in the district for the purposes of the district. The revised law omits that provision because it duplicates, in substance, part of Section 49.218, Water Code, which authorizes a district to acquire various property interests. The omitted law reads:

[The District herein created Sec. 2. shall be and it is hereby empowered] . . to obtain options upon and to acquire, by purchase, exchange, lease, gift, grant, devise, bequest, otherwise, or real or personal, or rights or therein within the District property, interest necessary to carry out the purposes of this Act and to maintain, administer, improve any properties acquired;

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- purchase or acquire land, easements or rights-of-way within the District necessary to carry out the purposes of this Act;

 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 6 Revised Law
- 7 Sec. 9305.0401. AUTHORITY TO IMPOSE TAX; LIMITATION ON TAX
- 8 RATE; TAX ELECTION. (a) If the tax is authorized at an election
- 9 under Section 49.107, Water Code, the board annually may impose an
- 10 ad valorem tax to provide money:
- 11 (1) necessary to construct or acquire, maintain, and
- 12 operate works, plants, and facilities considered essential or
- 13 beneficial to the district and the district's purposes; or
- 14 (2) adequate to defray the cost of the district's
- 15 maintenance, operation, and administration.
- 16 (b) An election for the imposition of taxes authorized by
- 17 this section must be:
- 18 (1) ordered by the board; and
- 19 (2) held and conducted, with notice provided and
- 20 results determined, in the manner provided by this chapter relating
- 21 to elections for the authorization of bonds.
- (c) In ordering a tax election authorized by this section,
- 23 the board must specify the maximum proposed tax rate. To impose a
- 24 maintenance tax at a rate that exceeds the maximum rate approved by
- 25 the voters, the board must submit the question of a tax rate
- 26 increase to the voters in the manner provided by this section.
- 27 (Acts 57th Leg., R.S., Ch. 364, Sec. 11 (part).)
- 28 <u>Source Law</u>

Sec. 11. The Board of Directors may upon a favorable majority vote of the qualified property taxpaying electors of the District, voting at an election held for the purpose within the boundaries of such District, levy, assess and collect annual taxes to provide funds necessary to construct or acquire, maintain and operate works, plants and facilities deemed essential or beneficial to the District and its purposes, and also when so authorized may levy, assess and collect annual taxes to provide funds adequate to defray the cost of the maintenance, operation and administration of the District. Elections for the levy of such taxes shall be ordered by the Board of Directors and notice thereof shall be given and same shall be held and conducted and the results thereof

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determined in the manner provided herein with relation to elections for the authorization of bonds. . . . In calling an election for taxes under this Section 11, the Board of Directors shall specify the maximum rate of tax which is sought to be levied and no tax in excess of that amount may be levied without submitting the question of the increased rate of taxation at an election as provided.

Revisor's Note

(1) Section 11, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the district may impose taxes if authorized by "a favorable majority vote of the qualified property taxpaying electors of the District, voting at an election held for the purpose within the boundaries of such District." The revised law substitutes a reference to Section 49.107, Water Code, parts of which duplicate, in substance, provisions of Section 11.

To the extent that Section 11 purports to limit participation in the election to "property taxpaying electors," the revised law omits the property taxpaying requirement because in Hill v. Stone, 421 U.S. 289 (1975), the United States Supreme Court determined that property ownership as a qualification for voting is an unconstitutional denial of equal protection. The revised law substitutes "voters" for "electors" because the terms have the same meaning and "voters" is more commonly used.

(2) Section 11, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, authorizes the district to "levy, assess and collect annual taxes" to provide "funds" necessary or adequate to pay costs associated with certain district purposes, and refers to the maximum amount of a tax that may "be levied" by the district. The revised law substitutes "impose" for references to the levy, assessment, and collection of taxes because "impose" is the term generally used in

Title 1, Tax Code, and includes the levy, assessment, and collection of an ad valorem tax. The revised law specifies that the tax is an "ad valorem" tax because it is clear from the source law that the tax is a property tax, and "ad valorem" tax is the term most commonly used in Texas law to refer to a tax on property. Throughout this chapter, the revised law substitutes "money" for "funds" because, in context, the terms have the same meaning and "money" is more commonly used.

Section 11, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that taxes levied by the district constitute a lien on the property against which they are levied and that a limitation does not bar the enforcement or collection of those taxes. The revised law omits that provision to the effect that taxes imposed by the district constitute a lien on the property taxed because it duplicates, in substance, Section 32.01, Tax Code, which provides that a tax lien attaches to property to secure the payment of all taxes, penalties, and interest imposed on the property. The revised law omits that provision to the effect that a limitation does not bar the enforcement or collection of those taxes because it was repealed by Section 6(b), Chapter 841, Acts of the 66th Legislature, Regular Session, 1979, which repealed all "general, local, and special laws" that conflicted with that act. The 1979 act enacted the Property Tax Code (Title 1, Tax Code), a comprehensive, substantive codification of the laws governing the administration of ad valorem taxes. Section 33.05, Tax Code, provides for a statute of limitations on suits to collect delinquent taxes. Sections 32.01 and 33.05, Tax Code, apply to the

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1	district under Section 1.02, Tax Code. The omitted law		
2	reads:		
3 4 5 6 7 8	Sec. 11 All taxes levied by the District for any purpose shall constitute a lien on the property against which levied and limitation shall not bar the enforcement or collection thereof.		
9	(4) Section 11, Chapter 364, Acts of the 57th		
10	Legislature, Regular Session, 1961, refers to the		
11	"calling" of a tax election by the board. The revised		
12	law substitutes "ordering" for "calling" because		
13	"order" is the term used in Chapter 3, Election Code.		
14	Revised Law		
15	Sec. 9305.0402. TAX METHOD. (a) The district shall use the		
16	ad valorem plan of taxation.		
17	(b) The board is not required to hold a hearing on the		
18	adoption of a plan of taxation. (Acts 57th Leg., R.S., Ch. 364,		
19	Sec. 4 (part).)		
20	Source Law		
21 22 23 24	Board of Directors to hold a hearing on the adoption of a plan of taxation, but the ad valorem plan		
25	Revised Law		
26	Sec. 9305.0403. DEPOSITORY. (a) The board shall designate		
27	one or more banks to serve as a depository for district money.		
28	(b) District money shall be deposited in a designated		
29	depository, except that money shall be remitted to the bank of		
30	payment to pay the principal of and interest on the district's		
31	outstanding bonds.		
32	(c) Membership of a bank officer or director on the board		
33	does not disqualify the bank from being designated as a depository.		
34	(Acts 57th Leg., R.S., Ch. 364, Sec. 13 (part).)		
35	Source Law		
36 37 38 39 40	Sec. 13. The Board of Directors shall designate one or more banks to serve as depository for the funds of the District. All funds of the District shall be deposited in such depository bank or banks except that funds shall be remitted to the bank or banks of payment		

of principal of and interest on outstanding bonds of the District. . . . Membership on the Board of Directors of an officer or director of a bank shall not disqualify such bank from being designated as depository.

Revisor's Note

13, Chapter 364, Acts Section of the Legislature, Regular Session, 1961, requires a bank to secure district money deposited at the bank in the manner provided by law for the security of county money, to the extent that the district money deposited not insured by the Federal Deposit Insurance Corporation. The revised law omits that provision because it duplicates, in substance, Sections 2257.021 and 2257.022, Government Code, which establish the amount and manner of security required for a deposit of public funds. Those sections apply to the security for district money under Sections 2257.002 and 2257.004, Government Code. The omitted law reads:

Sec. 13. . . . To the extent that funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided by law for the security of county funds. . . .

Revised Law

Sec. 9305.0404. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

28 The district is not required to pay a tax or assessment on a

29 district project or any part of the project. (Acts 57th Leg., R.S.,

30 Ch. 364, Sec. 15 (part).)

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31 <u>Source Law</u>

Sec. 15. [The accomplishment of the purposes stated in this Act being for the benefit of the people of this State and for the improvement of their properties and industries, the District in carrying out the purposes of this Act will be performing an essential public function under the Constitution and] shall not be required to pay any tax or assessment on the project or any part thereof, and . . .

Revisor's Note (End of Subchapter)

Section 12, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that laws

applicable to the imposition of ad valorem taxes by a water control and improvement district, as provided under Chapter 25, General Laws, Acts of the 39th Legislature, Regular Session, 1925, apply to district. The revised law omits that provision. The relevant provisions of Chapter 25, General Laws, Acts of the 39th Legislature, Regular Session, 1925, were codified in 1971 as part of Chapter 51, Water Code. Sections 6(a)(3) and (b), Chapter 841, Acts of the 66th Legislature, Regular Session, 1979, repealed specific provisions relating to the imposition of ad valorem taxes contained in Subchapter M, Chapter 51, Water Code, as well as all "general, local, and special laws" that conflicted with Chapter 841. The 1979 act enacted Property Tax Code (Title Tax Code), the 1, comprehensive, substantive codification of the laws governing the administration of ad valorem taxes. Title 1, Tax Code, provides the exclusive procedures for the appraisal of property for and the assessment and collection of ad valorem taxes by a taxing unit, including the district. The omitted law reads:

> Sec. 12. The District shall have all the rights, powers, duties and functions and shall observe the procedures, insofar as the same may be applicable and not in conflict with this Act, in the levy, equalization and collection of ad valorem taxes as are provided for Water Control and Improvement Districts under Chapter the Regular Session Thirty-ninth Legislature of Texas in 1925, as heretofore or hereafter amended and to provide anything necessary in accomplishment of the foregoing in carrying out the purposes of this Act.

SUBCHAPTER E. BONDS

37 Revised Law

38 Sec. 9305.0501. AUTHORITY TO ISSUE BONDS; TAXES FOR BONDS.

39 (a) The district may issue bonds payable from ad valorem taxes 40 imposed on all taxable property in the district to provide dams,

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- 1 structures, projects, and works of improvement for flood
- 2 prevention, including structural and land treatment measures, to
- 3 purchase and acquire lands, easements, and rights-of-way and for
- 4 agricultural phases of conservation, development, and use and
- 5 disposal of water, for necessary facilities, equipment, and
- 6 properties in connection therewith and for improvement,
- 7 maintenance, repair, and operation of same, and to carry out any
- 8 other power conferred by this chapter.
- 9 (b) The board shall annually impose the taxes in an amount
- 10 sufficient to pay the principal of and interest on the bonds as the
- 11 bonds and interest become due.

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- 12 (c) Bonds issued under this chapter must be authorized by a
- 13 board resolution. (Acts 57th Leg., R.S., Ch. 364, Sec. 7 (part).)

14 Source Law

Sec. 7. For the purpose of providing dams, structures, projects and works of improvement for prevention (including structural treatment measures), for the purchase and acquisition rights-of-way of lands, easements and and agricultural phases of conservation, development and utilization and disposal of water, and for all other necessary facilities, equipment and properties in therewith and connection for the improvement, maintenance, repair and operation of same and for carrying out any other powers or authority conferred maintenance, the District is empowered to issue this Act, negotiable bonds payable from ad valorem taxes to be levied on all taxable property within the District. It shall be the duty of the Board of Directors to levy annual taxes sufficient to pay the bonds and interest thereon as such bonds and interest become due. . . . Such bonds shall be authorized by resolution of the Board of Directors, . .

Revisor's Note

(1) Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, authorizes the district to issue "negotiable" bonds. The revised law omits "negotiable" because Section 1201.041, Government Code, provides that a public security is a negotiable instrument. Throughout this chapter, the revised law omits law that is superseded by or duplicates law in Chapter 1201, Government Code, which applies to district bonds under Sections 1201.002 and

1201.003 of that code. 1

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- 2 Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, requires bonds to 3 4 be authorized by board resolution after having been voted as provided in Section 8 of Chapter 364. 5 revised law omits that provision because the relevant 6 7 part of Section 8 is revised as Section 9305.0502 of this chapter and applies on its own terms without an 8 express reference to that section. The omitted law 9 reads:
- . . . [Such 11 Sec. 7. bonds] after having been voted as provided in 12 13 Section 8, hereof, and . . .

14 Revised Law

- BOND ELECTION REQUIRED. Sec. 9305.0502. 15 (a) District bonds, other than refunding bonds, may not be issued unless 16 authorized by an election at which a majority of the votes cast 17 18 favor the bond issuance.
- 19 The board may order an election under this section 20 without a petition. The order must specify:
- 21 (1) the time and place at which the election will be held; 22
- (2) the purpose for which the bonds will be issued; 23
- 24 (3) the maximum amount of the bonds;
- 25 (4)the maximum maturity of the bonds;
- 26 the maximum interest rate of the bonds; (5)
- the form of the ballot; and 27 (6)
- the presiding judge for each polling place. 28
- 29 Notice of the election must be given by publishing in a newspaper of general circulation in the district a substantial copy 30 31 of the election order. The notice must be published once each week for two consecutive weeks. The first publication must be not later 32 than 14 days before the election date. (Acts 57th Leg., R.S., Ch. 33

364, Sec. 8 (part).)

Source Law

Sec. 8. No bonds, except refunding bonds, shall be issued unless authorized at an election at which . . . a majority of the votes cast at said election is in favor of the issuance of the bonds. Such election may be called by the Board of Directors without a petition. The resolution calling the election shall specify the time and place or places of holding the same, the purpose for which the bonds are to be issued, the maximum amount thereof, the maximum maturity thereof, the maximum interest rate, the form of the ballot and the presiding judge for each voting place. . . Notice of elections for the issuance of bonds shall be given by publication of a substantial copy of the resolution calling the election in a newspaper of general circulation in the District once each week for two (2) consecutive weeks, the first publication to appear not less than fourteen (14) days prior to the date assigned for the election. . .

Revisor's Note

- (1) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, requires that voters in a bond election own taxable property that has been rendered for ad valorem taxation in the district. The revised law omits that requirement for the reason stated in Revisor's Note (1) to Section 9305.0401. The omitted law reads:
 - Sec. 8. [No bonds . . . shall be issued unless authorized at an election at which] only the qualified electors who reside in the District, and who own taxable property therein, and who have duly rendered the same for taxation, shall be qualified to vote at said election, and unless . . .
- (2) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that an election may be "called" by the board and refers to the "resolution calling the election." The revised law substitutes "order" for the quoted language for the reason stated in Revisor's Note (4) to Section 9305.0401.
- (3) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, refers to "voting place." The revised law substitutes "polling place" for "voting place" because "polling place" is the term

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1 used in the Election Code.

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- (4) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides for the appointment of an assistant judge and clerks to assist in holding a bond election. The revised law omits that provision for the reason stated in Revisor's Note (4) to Section 9305.0203. The omitted law reads:
 - Sec. 8. . . . The presiding judge serving at the voting place or places shall appoint one (1) assistant judge and at least two (2) clerks to assist in holding such election. . .
 - (5) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the returns of a bond election shall be made to and canvassed by the board. The revised law omits those provisions for the reason stated in Revisor's Note (7) to Section 9305.0203. The omitted law reads:
 - Sec. 8. . . The returns of the election shall be made to and canvassed by the Board of Directors of the District.
 - (6) Section 8, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the general laws relating to elections apply to a bond election except as otherwise provided by that act. The revised law omits that provision as unnecessary because an exception to the application of the Election Code would apply by its own terms. The omitted law reads:
- Sec. 8. . . . Except as herein otherwise provided the General Laws relating to elections shall be applicable.

34 <u>Revised Law</u>

- 35 Sec. 9305.0503. FORM OF BONDS. District bonds must be:
- 36 (1) issued in the district's name;
- 37 (2) signed by the president; and
- 38 (3) attested by the secretary. (Acts 57th Leg., R.S.,

1 Ch. 364, Sec. 7 (part).)

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2 <u>Source Law</u>

Sec. 7. . . . [Such bonds] . . . shall be issued in the name of the District. Said bonds shall be signed by the President, attested by the Secretary, . . .

6 Revisor's Note

7, 364, Acts Section Chapter of the 57th Legislature, Regular Session, 1961, provides that district bonds must bear the district's seal and authorizes "facsimile" signatures and seals. The revised law omits those provisions as unnecessary. The requirement that the bonds bear the district's seal was impliedly repealed by Section 3, Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes) (revised in relevant part in 1999 as Section 1201.026(a), Government Code), which provides that bonds may be signed with or without a seal. authorization for the use of facsimile signatures duplicates Section 1201.026(a), Government which also provides that bonds and interest coupons may be executed with manual or facsimile signatures. The omitted law reads:

Sec. 7. . . . [Said bonds shall be signed] . . . with the seal of the District impressed thereon. The interest coupons shall be executed by facsimile signatures of the said President and Secretary and the statute authorizing facsimile signatures and seals shall be applicable to the bonds if so provided in the resolution or resolutions authorizing same. . . .

32 <u>Revised Law</u>

33 Sec. 9305.0504. MATURITY. District bonds must mature not 34 later than 40 years after the date of their issuance. (Acts 57th

35 Leg., R.S., Ch. 364, Sec. 7 (part).)

36 Source Law

37 Sec. 7. . . . [Said bonds] . . . They shall 38 mature serially or otherwise in not to exceed forty 39 (40) years from their date and . . .

Revisor's Note

Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that district bonds shall mature "serially or otherwise." The revised law omits the quoted language because it is superseded by Section 1201.021, Government (enacted as Section 3, Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes)), which provides that the governing body of an issuer may determine the time of payment of public securities the governing body issues, and by Section 1201.022, Government Code (enacted as Section 5(a), Procedures Act of 1981 (Article 717k-6, Vernon's Texas Statutes)), which provides that a public Civil security may be issued with specified characteristics, on specified terms, or in a specified manner.

17 Revised Law

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- Sec. 9305.0505. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for the payment of interest to accrue during construction and for one year after construction and a reserve interest and sinking fund.
- (b) The district may use proceeds from the sale of the bonds to pay any expense incurred in accomplishing the purpose for which the district is created, including:
 - (1) the cost of printing and issuing the bonds; and
- 26 (2) payment of fees associated with attorneys, fiscal 27 agents, and engineers.
- (c) Pending the use of bond proceeds for the purpose for which the bonds were issued, the board may invest the proceeds in obligations of or guaranteed by the United States. (Acts 57th Leg.,
- 31 R.S., Ch. 364, Sec. 7 (part).)

32 Source Law

Sec. 7. . . . Pending the use of bond proceeds for the purpose for which issued, the Board of Directors may invest same in obligations of or guaranteed by the United States of America. . . . From proceeds from the sale of the bonds the District may set aside an amount for the payment of interest to accrue during construction and one (1) year thereafter and a reserve interest and sinking fund. Proceeds from the sale of the bonds may also be used for the payment of any and all expenses incurred in accomplishing the purposes for which this District is created including but not limited to the payment of attorneys' fees, fiscal agents' fees, engineers' fees, and to pay the cost of printing and issuing the bonds.

12 Revised Law

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- Sec. 9305.0506. REFUNDING BONDS. (a) The district without an election may issue refunding bonds for the purpose of refunding outstanding bonds authorized by this chapter and the interest on those bonds.
- 17 (b) Refunding bonds the district issues may be issued to 18 refund bonds of more than one series of outstanding bonds.
- 19 (c) The provisions of this chapter regarding the issuance of 20 other bonds and the remedies of the holders apply to refunding 21 bonds.
- 22 (d) The comptroller shall register the refunding bonds on 23 surrender and cancellation of the bonds to be refunded.
- 2.4 (e) Instead of issuing bonds to be registered on and cancellation of the bonds to be refunded, 25 in the resolution authorizing the issuance of 26 district, refunding bonds, may provide for the sale of the refunding bonds and 27 the deposit of the proceeds in a bank at which the bonds to be 28 refunded are payable. In that case, the refunding bonds may be 29 30 issued in an amount sufficient to pay the principal of and interest 31 on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the 32 concurrent surrender and cancellation of the bonds to be refunded. 33

34 (Acts 57th Leg., R.S., Ch. 364, Sec. 9.)

Sec. 9. The District is authorized to issue refunding bonds for the purpose of refunding any outstanding bonds authorized by this Act and interest thereon, without an election. Such refunding bonds may be issued to refund more than one (1) series of outstanding bonds. The provisions of this law with reference to the issuance of other bonds and their approval by the Attorney General and the remedies of

Source Law

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the holders shall be applicable to refunding bonds. Refunding bonds shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the resolution authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the bank where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the principal and interest on the original bonds to their option date or maturity date, and the Comptroller shall register them without concurrent surrender and cancellation of the original bonds.

Revisor's Note

Section 9, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, refers t.o provisions of Chapter 364 referencing "approval [of bonds] by the Attorney General" and applies them to refunding bonds. The revised law omits the quoted language because that language and the provisions of the chapter it refers to are superseded by Section 1202.003, Government Code (enacted as Section 3.002(a), Chapter 53, Acts of the 70th Legislature, 2nd Called Session, 1987 (Article 717k-8, Vernon's Texas Civil Statutes)), which provides for approval of public securities by the attorney general. section applies to district bonds under Section 1202.001, Government Code.

<u>Revised Law</u>

Sec. 9305.0507. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state. (Acts 57th Leg., R.S., Ch. 364, Sec. 15 (part).)

Source Law

Sec. 15. . . . the bonds issued hereunder and their transfer and the income therefrom, including the profits made on the sale thereof, shall at all times be free from taxation within this State.

Revisor's Note (End of Subchapter)

(1) Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that

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district bonds may be sold at a price and under terms that the board determines to be the most advantageous reasonably obtainable. The revised law omits that provision because it duplicates or is superseded by provisions of general law. Section 1204.006(b), Government Code, enacted as Section 2, Chapter 3, Acts 61st Legislature, Regular Session, (Article 717k-2, Vernon's Texas Civil Statutes), and applicable to district bonds under Sections 1204.001 and 1204.002 of that code, provides that an issuer may sell public securities at any price. Section 1201.022, Government Code, as amended by Section 1, Chapter 769, Acts of the 77th Legislature, Regular Session, 2001, provides that an issuer may sell public securities "under the terms determined by the governing body of the issuer to be in the issuer's best interests." The omitted law reads:

Sec. 7. . . . [Said bonds] . . . may be sold at a price and under terms determined by the Board of Directors to be the most advantageous reasonable obtainable, . . .

Section 7, Chapter 364, Acts of the 57th (2)Legislature, Regular Session, 1961, provides that the interest rate of district bonds may not exceed six percent. The revised law omits that provision because it is superseded by other law. Chapter 3, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-2, Vernon's Texas Civil Statutes), now Chapter 1204, Government Code, established a maximum interest public securities. rate for Section 1204.006, Government Code, reflecting the amendment of Article 717k-2 by Section 1, Chapter 61, Acts of the 67th Legislature, Regular Session, 1981, permits a public agency to issue public securities at any net effective interest rate of 15 percent or less. Section 1204.006,

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Government Code, applies to district bonds under Sections 1204.001 and 1204.002 of that code. The omitted law reads:

Sec. 7. . . . [Said bonds . . . may be sold . . . under terms determined by the Board of Directors] . . . provided that the interest cost to the District, calculated by the use of standard bond interest tables currently in use by insurance companies and investment houses does not exceed six per cent (6%) per annum, and

(3) Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that district bonds may be called, or redeemed, before maturity at the time and price specified in the resolution authorizing the bonds. The revised law omits that provision because it duplicates, in substance, Sections 1201.021 and 1201.022, Government Code, which provide that a public security may be redeemed before maturity and be payable in specified amounts and at specified times. The omitted law reads:

Sec. 7. . . . [Said bonds] . . . within the discretion of the Board, may be made callable prior to maturity at such times and prices as may be prescribed in the resolution authorizing the bonds, and

- (4) Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that district bonds may be made registrable as to principal or as to principal and interest. The revised law omits that provision because it duplicates Section 1201.024(a)(3), Government Code. The omitted law reads:
- Sec. 7. . . . [Said bonds] . . . may be made registerable as to principal or as to both principal and interest. . . .
- (5) Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, states that district bonds may be issued in "more than one (1) series and from time to time as required for carrying

out the purposes of this Act." The revised law omits "more than one (1) series" because it duplicates part of Section 1201.022, Government Code. The revised law omits "from time to time" for the reason stated in Revisor's Note (1) to Section 9305.0304. The revised law omits "as required for carrying out the purposes of this Act" because Section 7, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, revised as 9305.0501, 9305.0503, 9305.0504, Sections and 9305.0505 of this subchapter, authorizes the district to issue obligations for the purposes of the act. omitted law reads:

Sec. 7. . . . Bonds may be issued in more than one (1) series and from time to time as required for carrying out the purposes of this Act. . . .

Section 10, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, requires the district to deliver bonds it issues to the attorney general for examination and approval. Section 10 also requires the attorney general to approve district bonds if the bonds were authorized under law. addition, Section 10 provides that after approval the bonds must be registered with the comptroller and that after approval and registration the bonds incontestable. The revised law omits those provisions superseded by Chapter 1202, Government (enacted as Article 3, Chapter 53, Acts of the 70th Legislature, 2nd Called Session, 1987 (Article 717k-8, Vernon's Texas Civil Statutes), applicable to district bonds under Sections 1202.001 and 1202.003(c) of that Section 1202.003, Government Code, provides for approval of the bonds by the attorney general and requires the attorney general to submit the approved bonds to the comptroller for registration.

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1202.005, Government Code, requires registration of the bonds by the comptroller. Section 1202.006, Government Code, provides that after approval and registration the bonds are incontestable and binding obligations. The omitted law reads:

Sec. 10. After any bonds (including refunding bonds) are authorized by the District, such bonds and the record relating to their issuance shall submitted to the Attorney General for his examination as to the validity thereof. finds such bonds have been properly authorized in accordance with Constitution and this Act he shall approve such bonds and the same then shall be registered by the Comptroller of Public Accounts. Thereafter the bonds shall be valid, binding and enforceable obligations of the District and shall be incontestable for any cause.

Section 14, Chapter 364, Acts of the 57th (7) Legislature, Regular Session, 1961, lists the entities for which district bonds are legal investments and provides that district bonds may secure deposits of public funds of the state or political subdivisions. The revised law omits the provision relating to the eligibility of district bonds to be considered as for investments various entities because it duplicates, in substance, Section 49.186(a), Water Code. While Section 14 lists "guardians" and Section 49.186(a), Water Code, does not, Section 49.186(a) includes "fiduciaries," and a guardian is a fiduciary. The revised law omits the provision relating to the use of district bonds as security for deposits of state funds as impliedly repealed by Section 404.0221, Government Code (enacted in 1995), which eligible collateral for deposits of state funds by the comptroller, and by Section 404.031, Government Code (enacted in 1985 as Section 3.001, Article 4393-1, Vernon's Texas Civil Statutes), which provides for the valuation of that collateral. As to securing deposits

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of other funds, the provision is impliedly repealed by Chapter 2257, Government Code (enacted in 1989 as Article 2529d, Vernon's Texas Civil Statutes), which governs eligible collateral for deposits of funds of other public agencies, including political subdivisions, and permits those deposits to be secured by obligations issued by conservation and reclamation districts. The omitted law reads:

Sec. 14. All bonds of the District shall be and are hereby declared to be legal authorized investments for banks, saving banks, trust companies, building and savings associations, and associations, insurance companies, trustees, guardians fiduciaries, and cities, sinking funds of towns villages, counties, school districts or other political subdivisions of the State of Texas, and for all public funds of the State of Texas, or its agencies including the State Permanent School Fund. Such bonds shall be eligible to secure deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political subdivisions or corporations of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of value, when accompanied by their unmatured coupons appurtenant thereto.

Revisor's Note (End of Chapter)

(1) Section 4, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the board is not required to call a confirmation election or hold a hearing on the exclusion of land. The revised law omits the provision as executed. The provision is a transition provision addressing the applicability of provisions of the general law in effect at the time of the district's creation that would have required the district to hold both a confirmation election and a hearing on the exclusion of land. The omitted provision negates those general law requirements as inapplicable to this legislatively

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created district. The power or duty to hold a hearing to exclude land subsequent to the creation of the district is governed by Subchapter J, Chapter 49, Water Code. The omitted law reads:

Sec. 4. . . . [it shall not be necessary for the Board of Directors] to call a confirmation election or [to hold] a hearing on the exclusion of lands or . . .

(2) Section 17, Chapter 364, Acts of the 57th Legislature, Regular Session, 1961, provides that the act is severable. The revised law omits that provision because the same result is produced by application of Section 311.032, Government Code (Code Construction Act), which states that a provision of a statute is severable from each other provision of the statute that can be given effect. The omitted law reads:

Sec. 17. . . . If any provision of the Act shall be invalid, such fact, shall not affect the creation of the District or the validity of any other provision of this Act, and the Legislature here declares that it would have created the District and enacted the valid provisions of this Act notwithstanding the invalidity of any other provision or provisions hereof.