LOCAL GOVERNMENT CODE

TITLE 10. PARKS AND OTHER RECREATIONAL AND CULTURAL RESOURCES

SUBTITLE B. COUNTY PARKS AND OTHER RECREATIONAL AND CULTURAL RESOURCES

CHAPTER 325. SPORTS FACILITY DISTRICT ESTABLISHED BY COUNTY

SUBCHAPTER A. CREATION OF DISTRICT

Sec. 325.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means a sports facility district.

(4) "Sports facility" means a multi-use facility for sport and recreational activities.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.002. CREATION AND PURPOSE OF DISTRICT. The commissioners court of a county by order may create a sports facility district to finance and effect the construction, acquisition, or operation of a sports facility to serve the county.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.003. BOUNDARIES. A sports facility district is composed of the area of the county that created the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 325.011. BOARD OF DIRECTORS; TERM OF OFFICE. (a) The district is governed by a board of directors composed of five members, with two directors appointed by the commissioners court of the county, two directors appointed by the governing body of the municipality having the largest population in the county, and one director appointed by the governing body of the school district with the largest number of students in average daily attendance in the county. The board shall manage the district and administer this

chapter.

(b) Directors are appointed for two-year terms expiring on February 1 of odd-numbered years. However, the initial directors may be appointed for terms covering a period of less than two years.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.012. VACANCY ON BOARD. A vacancy on the board shall be filled by appointment of the remaining members. The person appointed to fill the vacancy shall serve only for the unexpired term.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.013. COMPENSATION. Each director is entitled to receive an amount set by the board in its budget, not to exceed $25 a day, for each day the director is actually engaged in performing services for the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.014. ORGANIZATION OF BOARD. (a) After each directors' appointment, the board shall hold a regular meeting at the district office and shall organize by electing from the members of the board one person to serve as chairman, one person to serve as vice-chairman, and one person to serve as secretary.

(b) A member selected to serve as chairman, vice-chairman, or secretary shall serve in that capacity for the member's term of office on the board.

(c) The chairman shall preside over meetings of the board, and in the chairman's absence, the vice-chairman shall preside.

(d) The chairman, vice-chairman, and secretary shall perform the duties and may exercise the powers specifically given them by this chapter or by orders of the board.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.015. OTHER OFFICERS. (a) The board shall appoint a person to serve as treasurer for the district.

(b) The persons appointed under this section are entitled to the compensation provided by the district's budget.

(c) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district and conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.016. GENERAL MANAGER. (a) The board may employ a general manager to be the chief administrative officer of the district and may delegate to the general manager full authority to manage and operate the district's affairs subject only to orders of the board.

(b) The general manager shall execute a bond in the amount determined by the board, payable to the authority and conditioned on the faithful performance of the general manager's duties. The authority shall pay for the bond.

(c) The general manager is entitled to receive the compensation provided by the district's budget.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.017. PERSONNEL. (a) The board or the general manager at the direction of the board shall employ persons necessary for the proper handling of district business and operation and may employ or contract with expert and specialized personnel who are necessary to carry out this chapter.

(b) The board shall determine the terms of employment and the compensation to be paid to employees under this section.

(c) The board shall require each employee or person under contract to the district who collects, pays, or handles any funds of the district to furnish a bond, payable to the district, for an amount sufficient to protect the district from financial loss resulting from actions of the employee or another person. Each bond shall be conditioned on the faithful performance of the employee's or person's duties and on accounting for all money and property of the district in the employee's or person's hands. The district shall pay for each bond.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.018. OFFICE. The board shall maintain an office within the boundaries of the district for conducting the business of the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.019. MEETINGS OF BOARD. The board shall hold regular meetings at the district's office at least once each month on a date established by rule of the board.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.020. MINUTES AND RECORDS. (a) The board shall keep a complete written account of all its meetings and other proceedings and shall preserve its minutes, contracts, records, plans, notices, accounts, receipts, and records of all kinds in a secure manner at the district's office.

(b) Minutes, contracts, records, plans, notices, accounts, receipts, and other records are the property of the district and are subject to public inspection.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.021. SEAL. The board shall adopt a seal for the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 325.031. GENERAL POWERS. To carry out this chapter, the district may:

(1) apply for, accept, receive, and administer gifts, grants, loans, and other funds available from any source;

(2) enter into contracts with the federal government and its agencies, the state and its agencies, local governmental entities including the county, and private entities;

(3) conduct, request, and participate in studies, investigations, and research relating to providing a sports facility; and

(4) advise, consult, and cooperate with the federal

government and its agencies, the state and its agencies, local governmental entities including the county, and private entities.
Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.032. CONTRACTS. The board may enter into contracts as provided by this subchapter, and those contracts shall be executed by the board in the name of the district.
Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.033. RULES. The board may adopt rules to carry out this subchapter.
Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.034. SUITS; PAYMENT OF JUDGMENTS. (a) The district may, through its board, sue and be sued in any court of this state in the name of the district. Service of process in a suit may be had by serving the general manager.

(b) The courts of this state shall take judicial notice of the creation of the district.

(c) A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not dedicated to the payment of any indebtedness of the authority.
Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.035. INSURANCE. The board may purchase insurance insuring the district and its employees for any liability incurred under this chapter and may purchase insurance coverage to cover losses of district property.
Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.036. ACQUISITION OF PROPERTY FOR SITE. (a) The district may acquire by gift, grant, purchase, or condemnation any land, easements, rights-of-way, and other property interests necessary to construct or improve a sports facility.

(b) The district may lease property on terms the board determines advantageous to the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.037. EMINENT DOMAIN. (a) The district may acquire land for a sports facility by condemnation if the board determines, after notice and hearing, that it is necessary.

(b) The right of eminent domain must be exercised in the manner provided by Chapter 21, Property Code, except that the district is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party and is not required to deposit double the amount of any award in any suit.

(c) If the district, in the exercise of the power of eminent domain, makes necessary the relocation, raising, lowering, rerouting, or changing in grade, or alteration of the construction of any highway, railroad, electric transmission or distribution line, telephone or telegraph properties and facilities, or pipeline, all necessary relocations, raising, lowering, rerouting, changing in grade, or alteration of construction shall be accomplished at the sole expense of the district. "Sole expense" means the actual cost of relocation, raising, lowering, rerouting, or changing in grade, or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.038. DISTRICT TO ENTER INTO CONSTRUCTION CONTRACTS. The district may contract with any person to construct or improve any part of a sports facility.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.039. BIDS ON CONTRACTS FOR CONSTRUCTION. Construction contracts requiring an expenditure of more than $15,000 may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.
Amended by Acts 1993, 73rd Leg., ch. 757, Sec. 16, eff. Sept. 1, 1993.

Sec. 325.040. CHANGE ORDERS. After a construction contract is awarded, if the district determines that additional work is needed or if the character or type of work, facilities, or improvements should be changed, the board may authorize change orders to the contract on terms the board approves. A change made under this section may not increase or decrease the total cost of the contract by more than 25 percent. The board may grant authority to an official or employee responsible for purchasing or for administering a contract to approve a change order that involves an increase or decrease of $50,000 or less.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 479 (H.B. 679), Sec. 4, eff. June 17, 2011.

Sec. 325.041. ATTACHMENTS TO CONSTRUCTION CONTRACTS. A construction contract must contain, or have attached to it, the specifications, plans, and details for work included in the contract, and work shall be done according to those plans and specifications under the supervision of the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.042. EXECUTION AND AVAILABILITY OF CONSTRUCTION CONTRACTS. (a) A construction contract must be in writing and signed by an authorized representative of the district and the contractor.

(b) The contract is a district record and is subject to Section 325.020.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.043. CONTRACTOR'S BOND. (a) A contractor shall execute a bond. The bond must be in an amount determined by the board, not to exceed the contract price, payable to the district, approved by the board, and conditioned on the faithful performance of the obligations, agreements, and covenants of the contract.

(b) The bond must provide that if the contractor defaults on the contract, the contractor will pay to the district all damages

sustained as a result of the default. The district shall deposit the bond in its depository and shall keep a copy of the bond in its main office.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.044. MONITORING CONSTRUCTION WORK. (a) The board has control of any construction, acquisition, or improvement of the sports facility for which it has contracted. The board shall determine whether or not the contract is being fulfilled.

(b) The board shall have the construction work inspected by engineers, inspectors, or other personnel of the district.

(c) During the progress of the construction work, the employees inspecting the work shall submit to the board written reports that show whether the contractor is complying with the contract.

(d) On completion of construction work, the employees inspecting the work shall submit to the board a final detailed written report including information necessary to show whether the contractor has fully complied with the contract.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.045. PAYMENT FOR CONSTRUCTION WORK. (a) The district shall make monthly progress payments under construction contracts as the work proceeds, or at more frequent intervals as determined by the board.

(b) If requested by the board, the contractor shall furnish an analysis of the total contract price showing the amount included for each principal category of the work, in such detail as requested, to provide a basis for determining progress payments.

(c) In making progress payments, the district shall retain 10 percent of the estimated amount until final completion and acceptance of the contract work. However, if the board, at any time after 50 percent of the work has been completed, finds that satisfactory progress is being made, it may authorize any of the remaining progress payments to be made in full. Also, if the work is substantially complete, the board, if it finds the amount retained to be in excess of the amount adequate for the protection

of the district, may release to the contractor all or a part of the excess amount.

(d) On completion and acceptance of each separate project, work, or other division of the contract, on which the price is stated separately in the contract, payment may be made without retention of a percentage.

(e) When construction work is completed according to the terms of the contract, the board shall draw a warrant on the depository to pay any balance due on the contract.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.046. CONTRACTS FOR PURCHASE OF VEHICLES, EQUIPMENT, AND SUPPLIES OVER $5,000. (a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than $15,000, the board shall ask for competitive bids in accordance with the bidding procedures provided by the County Purchasing Act (Subchapter C, Chapter 262, Local Government Code) except that the bids shall be presented to the board and the board shall award the contract.

(b) This section does not apply to purchases of property from public agencies or to contracts for personal or professional services.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.
Amended by Acts 1993, 73rd Leg., ch. 757, Sec. 17, eff. Sept. 1, 1993.

Sec. 325.047. FEES AND CHARGES. (a) The board may adopt and enforce all necessary charges, fees, or rentals for providing any district facilities or service.

(b) The board may require a deposit for any service or facilities furnished and may provide that the deposit will bear interest.

(c) The board may discontinue a facility or service to prevent an abuse or enforce payment of an unpaid charge, fee, or rental due the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

SUBCHAPTER D. DISTRICT FINANCES

Sec. 325.061. FISCAL YEAR. (a) The district shall be operated on the basis of a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 24-month period.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.062. ANNUAL AUDIT. Annually, the board shall have an audit made of the financial condition of the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.063. ANNUAL BUDGET. (a) The board shall prepare and approve an annual budget.

(b) The budget must contain a complete financial statement, including a statement of the:

(1) outstanding obligations of the district;

(2) amount of cash on hand to the credit of each fund of the district;

(3) amount of money received by the district from all sources during the previous year;

(4) amount of money estimated to be available to the district from all sources during the ensuing year;

(5) amount of the balances expected at the end of the year in which the budget is being prepared; and

(6) estimated amount of revenues and balances available to cover the proposed budget.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.064. AMENDING BUDGET. After the annual budget is adopted, the board may amend the budget.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.065. LIMITATION ON EXPENDITURES. Money may not be spent for an expense not included in the annual budget or an amendment to it.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.066. SWORN STATEMENT. As soon as practicable after the close of the fiscal year, the general manager shall prepare for the board a sworn statement of the amount of money that belongs to the district and an account of the disbursements of that money.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.067. DEPOSITORY. (a) The board shall name one or more banks to serve as depository for district funds.

(b) District funds, other than those transmitted to a bank of payment for bonds issued by the district, shall be deposited as received with the depository bank. This subsection does not limit the power of the board to place a part of the district's funds on time deposit or to purchase certificates of deposit.

(c) Before the district deposits funds in a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation, the bank must execute a bond or other security in an amount sufficient to secure from loss the district funds that exceed the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.068. INVESTMENTS. (a) Funds of the district may be invested and reinvested by the board or its authorized representative in direct or indirect obligations of the United States, the state, or any county, municipality, school district, or other political subdivision of the state.

(b) Funds of the district may be placed in certificates of deposit of state or national banks or state or federal savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds of counties of the state.

(c) The board, by resolution, may provide that an authorized representative of the district may invest and reinvest the funds of the district and provide for money to be withdrawn from the appropriate accounts of the district for investments on terms the

board considers advisable.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.069. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The board may pay all costs and expenses necessarily incurred in the creation and organization of the district, legal fees, and other incidental expenses and may reimburse any person for money advanced for those purposes.

(b) Payments may be made from money obtained from the sale of bonds first issued by the district or other revenues of the district.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.070. BORROWING MONEY. The district may borrow money for any purpose authorized under this chapter or any combination of those purposes.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

SUBCHAPTER E. DISTRICT BONDS

Sec. 325.081. ISSUANCE OF BONDS. The board may issue revenue bonds in the name of the district to acquire land and construct facilities as provided by this chapter.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.082. MANNER OF REPAYMENT OF BONDS. The board may provide for the payment of the principal of and interest on the bonds from revenues of the district, including fees and lease income.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.083. FORM OF BONDS. (a) A district may issue its bonds in various series or issues.

(b) Bonds may mature serially or otherwise not more than 50 years from their date and shall bear interest at any rate permitted by the constitution and laws of the state.

(c) A district's bonds and interest coupons, if any, are

investment securities under the terms of Chapter 8 of the Business & Commerce Code and may be issued registrable as to principal or as to both principal and interest and may be made redeemable before maturity, at the option of the district, or may contain a mandatory redemption provision.

(d) A district's bonds may be issued in the form, denominations, and manner and under the terms, conditions, and details, and shall be signed and executed as provided by the board in the resolution or order authorizing their issuance.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.084. PROVISIONS OF BONDS. (a) In the orders or resolutions authorizing the issuance of bonds, the board may provide for the flow of funds, the establishment and maintenance of the interest and sinking fund, the reserve fund, and other funds, and may make additional covenants with respect to the bonds, the pledged revenues, and the operation and maintenance of those improvements and facilities, the revenue of which is pledged.

(b) The orders or resolutions of the board authorizing the issuance of bonds may also prohibit the further issuance of bonds payable from the pledged revenue or may reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with or subordinate to the lien and pledge in support of the bonds being issued.

(c) The orders or resolutions of the board issuing bonds may contain other provisions and covenants as the board may determine.

(d) The board may adopt and have executed any other proceedings or instruments necessary and convenient in the issuance of bonds.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.085. APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY COMPTROLLER. (a) Bonds issued by a district must be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, the attorney general shall approve them, and they shall be registered by the comptroller of

public accounts.

(c) After the approval and registration of bonds, the bonds are incontestable in any court or other forum, for any reason, and are valid and binding obligations in accordance with their terms for all purposes.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.086. BONDS AS INVESTMENTS. District bonds are legal and authorized investments for:

(1) banks;

(2) trust companies;

(3) savings and loan associations;

(4) insurance companies;

(5) fiduciaries;

(6) trustees;

(7) guardians; and

(8) sinking funds of municipalities, counties, school districts, and other political subdivisions of the state and other public funds of the state and its agencies, including the permanent school fund.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.087. BONDS AS SECURITY FOR DEPOSITS. District bonds are eligible to secure deposits of public funds of the state and municipalities, counties, school districts, and other political subdivisions of the state. The bonds are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.088. TAX STATUS OF BONDS. Bonds issued by a district under this chapter, any transaction relating to the bonds, and profits made in the sale of the bonds, are free from taxation by the state or by any municipality, county, special district, or other political subdivision of the state.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.089. MANDAMUS BY BONDHOLDERS. In addition to all other rights and remedies provided by law, if the district defaults in the payment of principal, interest, or redemption price on its bonds when due or if it fails to make payments into any fund or funds created in the orders or resolutions authorizing the issuance of the bonds or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the orders or resolutions authorizing the issuance of its bonds, the owners of any of the bonds are entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the district and its officials to observe and perform the covenants, obligations, or conditions prescribed in the orders or resolutions authorizing the issuance of the district's bonds.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.

Sec. 325.090. APPLICATION OF OTHER LAWS. Bonds of the district are considered public securities under Chapter 1201, Government Code.

Added by Acts 1989, 71st Leg., ch. 437, Sec. 1, eff. Aug. 28, 1989.
Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.323, eff. Sept. 1, 2001.