

LOCAL GOVERNMENT CODE  
TITLE 9. PUBLIC BUILDINGS AND GROUNDS  
SUBTITLE B. COUNTY PUBLIC BUILDINGS  
CHAPTER 293. COUNTY BUILDING AUTHORITY ACT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 293.001. SHORT TITLE. This chapter may be cited as the County Building Authority Act.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.002. DEFINITIONS. In this chapter:

(1) "Authority" means a county building authority created under this chapter.

(2) "Bond resolution" means a resolution of a board authorizing the issuance of bonds.

(3) "Board" means the board of directors of an authority.

(4) "Project" means the property acquired and building constructed by an authority.

(5) "Trust indenture" means an instrument pledging revenue of property or creating a mortgage lien on property to secure bonds issued under this chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.003. COUNTIES SUBJECT TO CHAPTER. This chapter applies only to a county that:

(1) has a population of more than 600,000; and

(2) owns and uses, together with other structures, a courthouse that is more than 30 years old and that has not been completely renovated or remodeled during the preceding 30 years.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.004. COUNTY BUILDING STUDY COMMITTEE. (a) The commissioners court of the county by order shall create a county building study committee if the commissioners court determines that doing so is in the best interest of the county and its residents.

(b) The committee consists of five members, with one appointed by the county judge and one appointed by each county commissioner.

(c) The committee may:

(1) study the need for a new or expanded county building and the possibility of including in the building devices and characteristics to protect life and property in modern warfare;

(2) make preliminary plans and surveys concerning the requirements, costs, and feasibility of the project; and

(3) make recommendations to the commissioners court.

(d) The county may pay the cost of the study, which may not exceed \$25,000.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

#### SUBCHAPTER B. CREATION AND OPERATION

Sec. 293.021. ELECTION; COUNTY BUILDING AUTHORITY. (a) After reviewing and considering the recommendations of the county building study committee, the commissioners court may call an election at which the qualified voters of the county are entitled to vote for or against the proposition: the construction, acquisition, improvement, equipping, and furnishing of a county building and the issuance of negotiable revenue bonds to provide funds for this purpose.

(b) If a majority of the qualified voters of the county vote for the proposition, a county building authority is created.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.022. PURPOSES OF AUTHORITY. The purposes of the authority are to construct, acquire, improve, equip, furnish, maintain, and operate a county building adequate to meet the county's needs. In planning the building, the authority may consider the anticipated population and economic growth of the county and the demands that this growth will create for space for county activities.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.023. BOARD OF DIRECTORS. (a) The authority is governed by a board composed of five directors. The county judge appoints one director and each county commissioner appoints one. A county officer or employee is not eligible for appointment as a director.

(b) The term of office of a director expires on December 31 not more than two years after the date that the director's term began. The directors may provide for staggered terms, in which case the directors shall draw lots to determine which directors' terms expire in which year.

(c) If a vacancy occurs in the office of a director by death, resignation, or expiration of a term, the person holding the office of the county officer who originally appointed the vacating director shall appoint a person to fill the vacancy.

(d) The board shall elect one member as president and one member as vice-president. The board shall select a secretary and a treasurer who may or may not be members. The offices of secretary and treasurer may be combined into one office. The board may elect other officers as authorized by the bylaws of the authority.

(e) A majority of the board is a quorum. The board may act by a majority vote of directors present if a quorum is present.

(f) A director may not receive compensation for services on the board but is entitled to reimbursement for expenses incurred in performing the services.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.024. EMPLOYEES. (a) The board may employ:

- (1) a manager or executive director of properties;
- (2) legal counsel; and
- (3) other employees, experts, and agents that the board considers necessary.

(b) The board may delegate to the manager the power to employ and discharge employees.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.025. COMPTROLLER. (a) The county auditor shall appoint a comptroller for the authority, subject to the approval of

the board and the commissioners court. The comptroller shall:

(1) work under the direction of the county auditor;

(2) institute budget, purchasing, and fiscal procedures that conform to accepted business and accounting practices; and

(3) make quarterly reports to the commissioners court.

(b) The county auditor shall fix the comptroller's salary, subject to approval of the board and commissioners court, and the authority shall pay the salary.

(c) The comptroller's employment may be terminated by an act of the county auditor and a majority vote of the board and commissioners court.

(d) Before the beginning of each fiscal year the comptroller, under the direction of the board, shall prepare the authority's budget for the following fiscal year and submit it to the commissioners court. Within 15 days after the date the budget is submitted, the commissioners court may approve or revise the budget.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.026. POWERS OF AUTHORITY. (a) The authority may:

(1) construct, enlarge, furnish, and equip a building to be used primarily as a county courthouse, subject to the approval of the commissioners court;

(2) sue or be sued, implead or be impleaded, and complain or defend in court;

(3) adopt, use, and alter a corporate seal;

(4) make bylaws for the management and regulation of its affairs;

(5) make contracts and execute instruments necessary or convenient for conducting its business;

(6) acquire, purchase, hold, and use land necessary for carrying out its purposes;

(7) lease land or an interest in land from the county for a term of not more than 99 years at nominal rent or annual rent determined by contract with the county;

(8) lease real or personal property or an interest in

such property to the county for a term of not more than 99 years at nominal rent or annual rent determined by contract with the county;

(9) lease real or personal property or an interest in such property to a person other than a county for a term of not more than 40 years at an annual rent determined by contract with the person;

(10) borrow money and accept grants from, and enter into contracts, leases, or other transactions with, federal agencies;

(11) invest the proceeds of its bonds, until the money is needed, in direct obligations of or obligations unconditionally guaranteed by the United States government, to the extent authorized in the bond resolution or trust indenture;

(12) fix, alter, charge, and collect rates, rentals, and other charges for services of the authority or use of facilities of the authority or project;

(13) exercise the power of eminent domain to the extent, in the manner, and under the laws applicable to counties, for the purpose of acquiring property needed for a purpose authorized by this chapter; and

(14) do anything necessary or convenient to accomplish the purposes of the authority or carry out a power granted to the authority by statute.

(b) A lease under Subsection (a)(9) may not impair the authority's obligations under the bond resolution or trust indenture. On notice specified in the contract, a lessee under such a lease shall surrender possession of the property to the authority if and to the extent that the county requires use of the property.

(c) The power provided by Subsection (a)(10) is not subject to the limitations relating to other powers granted under this section.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.027. OPERATION OF AUTHORITY. (a) The property of the authority must be held and operated only for governmental and public purposes, for the use and benefit of the public, and without private profit. The property of the authority is exempt from

taxation.

(b) The authority shall charge rent, impose charges, and use its sources of revenue to generate revenue sufficient to:

(1) pay the expenses related to ownership, operation, and upkeep of the authority's property;

(2) pay interest on the authority's bonds as it becomes due;

(3) create a sinking fund to pay the authority's bonds as they come due; and

(4) create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.028. DEPOSITORY. The authority may:

(1) select a depository as provided by law for selection of a county depository; or

(2) award a depository contract to the same depository used by the county on the same terms applicable to the county.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.029. INVESTMENT OF FUNDS. The investment of and security for authority funds is governed, to the extent applicable, by the law governing investment of and security for a county's funds. The bond resolution or trust indenture may provide further restrictions on the investment.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.030. LAW AFFECTING CERTAIN CONTRACTS. The board, in connection with a contract for construction or for purchase of equipment and material that requires expenditure or payment of \$2,000 or more, shall comply with Subchapter C, Chapter 262.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.031. UNDERGROUND SHELTER. The authority may include a civil defense shelter in underground facilities constructed under this chapter. In connection with this shelter the authority may:

(1) cooperate with the federal civil defense administrator and state civil defense officers; and

(2) contract as necessary to participate in federal or state assistance in construction and operation of the shelter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.032. POWER OF COUNTY. (a) A county may acquire and sell or lease to the authority land that the commissioners court determines is needed for the project. The sale or lease may be for the consideration that the commissioners court, after considering that the project is for the primary benefit of the county, determines is reasonable.

(b) The county may:

(1) lease property from the authority as is necessary or convenient and as is in the best interest of the county;

(2) pay the authority, at a bank designated by the authority, an annual rent determined by the lease; and

(3) levy a tax sufficient to pay the rent as it comes due.

(c) Without limitation by Subsections (a) and (b), a county may do all things necessary or convenient to accomplish the objectives of this chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.033. PROVISION OF FACILITIES BY COUNTY. This chapter does not alter the authority of the commissioners court to provide county facilities that the commissioners court considers necessary for the convenience of the people in populated areas.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.034. TRANSFER OF ASSETS TO COUNTY; DISSOLUTION. On payment of all of its indebtedness, the authority shall convey all of its assets to the county, without cost to the county. On this conveyance, the authority is dissolved.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

#### SUBCHAPTER C. FUNDING

Sec. 293.051. REVENUE BONDS. (a) The authority may issue negotiable revenue bonds to provide funds to carry out its purposes.

(b) The bonds must:

- (1) be authorized by a board resolution;
- (2) be authorized by an election that is:
  - (A) called by a resolution of the board;
  - (B) held throughout the authority; and
  - (C) called, held, and publicized in the manner provided by Chapter 1251, Government Code;
- (3) be signed by the board president or vice-president and countersigned by the board secretary, either by actual or printed facsimile signature;
- (4) include the authority seal;
- (5) mature serially or otherwise in 40 years or less;
- (6) be payable from and secured by a pledge of net revenues from ownership or operation of authority property; and
- (7) be sold at a price and under terms that the board considers the most advantageous and the most reasonably obtainable.

(c) The bonds may:

- (1) be secured, in addition to the security prescribed in Subsection (b)(6), by a mortgage or deed of trust on authority real or personal property;
- (2) bear interest at a rate not to exceed the interest rate prescribed by Chapter 1204, Government Code;
- (3) be made callable before maturity at the times and prices prescribed in the bond resolution; and
- (4) be made registrable as to principal, interest, or both.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.308, eff. Sept. 1, 2001.

Sec. 293.052. JUNIOR LIEN BONDS; PARITY BONDS. (a) The authority may issue bonds constituting a junior lien on net revenues or property of the authority unless prohibited by the bond resolution or trust indenture.



(b) The authority may issue parity bonds under conditions specified in the bond resolution or trust indenture.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.053. EXAMINATION AND APPROVAL. (a) After the authority authorizes bonds, including refunding bonds, it shall submit the bonds and the record relating to their issuance to the attorney general. If the bonds purport to be secured by a pledge of proceeds of an existing lease with the county or another governmental agency, a copy of the lease contract and the proceedings of the governmental authority authorizing the lease shall also be submitted.

(b) The attorney general shall examine the submitted documents and shall approve the bonds and the lease contract, if any, if they are determined to be valid. On approval of the attorney general, the comptroller of public accounts shall register the bonds.

(c) On approval and registration of the bonds under this section, the bonds and the lease contract, if any, are valid, binding, and incontestable.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.054. LEGAL AND AUTHORIZED INVESTMENTS. (a) Authority bonds are legal and authorized investments for a bank, savings bank, trust company, savings and loan association, insurance company, fiduciary, trustee, or guardian, or a sinking fund of a municipality, county, school district, or political subdivision of the state.

(b) Authority bonds may secure deposits of public funds of the state, a municipality, a county, a school district, or another political corporation or subdivision of the state. The bonds may provide this security in an amount up to their value, if all unmatured coupons, if any, are attached.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 293.055. REFUNDING BONDS. (a) The authority may issue bonds for the purpose of refunding outstanding bonds. Refunding

bonds may be issued in the manner provided by this chapter for the issuance of other bonds, except that an election is not required.

(b) The comptroller may exchange the refunding bonds for the outstanding bonds or the authority may sell the refunding bonds and apply the proceeds according to Subchapter B or C, Chapter 1207, Government Code.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.309, eff. Sept. 1, 2001.

Sec. 293.056. INITIAL INTEREST. The board may set aside the following money from the proceeds from the sale of bonds:

(1) money necessary to pay interest on the bonds for not more than two years; and

(2) money that the board estimates to be necessary to pay the authority's operating expenses for its first year of operation.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.