

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 5. TRANSPORTATION

SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES

CHAPTER 5010. PORT OF BEAUMONT NAVIGATION DISTRICT OF JEFFERSON
COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5010.0101. DEFINITIONS. In this chapter:

(1) "Board" means the board of port commissioners of the district.

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

(3) "District" means the Port of Beaumont Navigation District of Jefferson County, Texas.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0102. NATURE AND PURPOSE OF DISTRICT. (a) The district is a port district.

(b) To the extent authorized by this chapter, the district is created to:

(1) improve navigation in the district;

(2) maintain, develop, extend, and improve port, wharf, dock, and intermodal facilities inside or outside the district; and

(3) develop the Port of Beaumont in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0103. LEGISLATIVE FINDINGS. The creation of the district:

(1) is essential to:

(A) accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(B) the general welfare of this state for the development of maritime shipping to and from the state's ports;

(2) is in the interest of national defense, the Port of

Beaumont being strategically located on the Gulf Coast with an inland-protected harbor and in a rapidly developing industrial area where wharves, docks, and intermodal facilities are located; and

(3) will result in:

(A) material benefits and improvements to district territory;

(B) the increase of the taxable value of property in the district; and

(C) material benefit to that part of the state in which the district is located.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0104. DISTRICT TERRITORY. The district is composed of the territory:

(1) in Jefferson and Orange Counties described by Sections 1 and 1A, Chapter 147, Acts of the 51st Legislature, Regular Session, 1949, as that territory may have been modified under:

(A) Section 3 or 3a, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), before August 30, 1971;

(B) Subchapter H, Chapter 62, Water Code; or

(C) other law; and

(2) described by Section 3 of the Act enacting Subchapter F.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 107 (S.B. 1643), Sec. 1, eff. May 24, 2021.

Sec. 5010.0105. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally to effect its purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 5010.0201. BOARD OF PORT COMMISSIONERS; TERM; ELECTION. (a) The management and control of the district is vested in a board composed of six elected commissioners.

(b) Commissioners serve staggered six-year terms, with the terms of two commissioners expiring every two years.

(c) The district shall hold an election in the district on the uniform election date in May of each odd-numbered year to elect the appropriate number of commissioners.

(d) Notice of an election held under this section must be:

(1) signed by the board's presiding officer or secretary; and

(2) posted in accordance with Section 4.003(b), Election Code.

(e) The board shall declare the results of an election held under this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0202. ELECTIONS; WARDS; QUALIFICATIONS. (a) Two commissioners are elected by the voters of the district at large, and each ward is represented on the board by a ward resident elected as commissioner by the voters of the ward.

(b) The district is divided into four wards in accordance with a redistricting plan consistent with the most recent decennial census.

(c) The board may change the boundaries of the wards and may designate the wards by reference to county commissioners court precincts, except that:

(1) there must be four wards in the district at all times;

(2) each ward must contain as nearly as possible the same number of voters; and

(3) each ward must contain at least 20 percent of the estimated population of the district.

(d) Each commissioner must:

(1) be a qualified voter of the district; and

(2) own taxable real property located in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0203. PLACING CANDIDATE ON BALLOT. (a) An application for a place on the ballot must be:

(1) filed with the secretary of the board or another person designated by the board; and

(2) signed by:

(A) the candidate; or

(B) 10 or more qualified voters of the district.

(b) The filing period for an application for a place on the ballot is the same as provided by Chapter 143, Election Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0204. COMMISSIONER'S OATH AND BOND. (a) Not later than the 10th day after the date of the commissioner's election, each commissioner shall:

(1) take and subscribe an oath of office with conditions in the oath as provided by law for members of the commissioners court of a county; and

(2) enter into a good and sufficient bond in the amount of \$1,000 payable to the district, conditioned on the faithful performance of the commissioner's duties as a commissioner.

(b) The bond of a commissioner must be approved by the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0205. COMPENSATION OF COMMISSIONERS; EXPENSES.

(a) Except as provided by Subsection (b), a commissioner shall receive \$500 per month for the commissioner's services.

(b) A commissioner serving as president of the board shall receive \$550 per month.

(c) A commissioner shall receive actual traveling expenses.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0206. VACANCIES. (a) Except as provided by Subsection (b), if a vacancy occurs in the office of commissioner, the board shall appoint a commissioner for the remainder of the unexpired term.

(b) If the number of commissioners is reduced to three, the remaining commissioners shall call a special election to fill the vacancies.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0207. OFFICERS AND EMPLOYEES. (a) As soon as practicable after each election of commissioners, the board shall elect a president, vice president, and secretary and treasurer.

(b) The president and vice president must be members of the board.

(c) The office of secretary and treasurer:

(1) is one office; and

(2) may be filled by a person who is not a member of the board.

(d) If a vacancy occurs in an office, the board shall appoint a replacement for the unexpired term.

(e) Officers serve until successor officers have qualified.

(f) The board may:

(1) employ an executive director for the district and give the executive director full authority to manage and operate the affairs of the district, including the authority to employ officers, agents, and employees, prescribe their duties, and set their compensation, subject only to the orders of the board; and

(2) employ and set the fees of counsel to represent the district in the preparation of any contract, to conduct any proceeding in or out of court, and to be the legal advisor of the board on matters as agreed to by the board.

(g) The board shall:

(1) set the compensation of the secretary and

treasurer and the executive director; and

(2) set the terms of office of all officers of the district, including the executive director.

(h) All officers and the executive director of the district, other than the commissioners, hold office subject to the will of the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0208. DELEGATION. The board may authorize the executive director or another person to perform any act on behalf of the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0209. SURETY BOND. (a) Each officer, agent, or employee of the district who is charged with the collection, custody, or payment of district money shall give bond conditioned on:

(1) the faithful performance of the person's duties; and

(2) an accounting of all money and property of the district coming into the person's possession.

(b) The bond must be in a form and manner and with a surety approved by the board, and the surety on the bond must be a surety company authorized to do business in this state.

(c) The district shall pay the premium on the bond and charge the premium as an operating expense.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0210. DISTRICT OFFICE. A regular office shall be established and maintained for conducting district business either:

(1) in the district; or

(2) at any place in the city of Beaumont.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1,

eff. September 1, 2019.

Sec. 5010.0211. MEETINGS; QUORUM. (a) The board shall hold regular meetings at least once each month on the day and time designated by the board.

(b) The board shall hold special meetings:

(1) at the call of the board president; or

(2) on the request of three commissioners.

(c) Four commissioners constitute a quorum of the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0212. CONFLICT OF INTEREST; PENALTY. (a) A commissioner, officer, agent, or employee of the district may not be directly or indirectly interested in a contract for the purchase of any property or construction of any work by or for the district.

(b) A person who violates this section is subject to the penalties provided by law for state and county officers under similar circumstances.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 5010.0301. GENERAL AND NAVIGATION DISTRICT POWERS.

(a) The district has:

(1) the powers of government and the authority to exercise the rights, privileges, and functions specified by this chapter; and

(2) all powers, rights, privileges, and functions conferred by general law on any district created under Section 59, Article XVI, Texas Constitution, appropriate to the accomplishment of the purposes of this chapter, except as expressly limited by this chapter.

(b) To the extent not inconsistent or in conflict with this chapter, the district and the board have all of the rights, powers, privileges, and functions granted or conferred by the provisions of

the general laws applicable to navigation districts including those granted or conferred by Chapters 60 and 62, Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0302. POWERS REGARDING WHARVES, DOCKS, AND OTHER FACILITIES; RESTRICTION. (a) This section does not apply to facilities or aids of a type or kind used or engaged in competition with tugs, barges, salvage operations, or shipbuilding or ship repair operations.

(b) The district may:

(1) acquire, take over, construct, maintain, repair, operate, develop, and regulate wharves, docks, warehouses, grain elevators, dumping facilities, belt railways, lands, intermodal, and other facilities or aids consistent with or necessary to the operation or development of ports or waterways in the district; and

(2) construct, extend, improve, repair, maintain, and reconstruct, cause to be constructed, extended, improved, repaired, maintained, and reconstructed, and own, use, and operate any facility of any kind necessary or convenient to the exercise of the powers, rights, privileges, and functions granted by this chapter.

(c) The district may issue bonds for a purpose described by Subsection (b)(1) or to acquire necessary or proper lands, rights-of-way, dumping grounds, extensions or improvements of belt railway lines, or construction or improvements of wharves, docks, or other facilities or aids to navigation. The district may secure the obligations by liens on properties acquired, constructed, or improved and may pledge available revenue as additional security.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0303. POWERS REGARDING WHARFAGE, CHARGES, AND RATES FOR DISTRICT FACILITIES. The district has the power to:

(1) regulate wharfage and charges for all facilities of or pertaining to the Port of Beaumont and the waterways in the district;

(2) assess and collect charges for the use of all district facilities;

(3) approve a pilotage rate charge imposed under Chapter 69, Transportation Code; and

(4) approve a charge, fee, or assessment imposed by a navigation district other than the district within the territory of the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0304. LIMITATION ON CERTAIN POWERS. This chapter may not be construed as granting the district or the board any power over the appointment, operations, or conduct of:

(1) a branch pilot appointed under Section 69.037, Transportation Code; or

(2) the board of pilot commissioners described by Section 69.011, Transportation Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0305. POWERS CONCURRENT WITH THOSE OF SABINE-NECHES NAVIGATION DISTRICT OF JEFFERSON COUNTY, TEXAS. Except as provided by Section 5010.0303, the district's powers are concurrent with, but do not supersede or interfere with, the jurisdiction and powers of the Sabine-Neches Navigation District of Jefferson County, Texas, created under Section 59, Article XVI, Texas Constitution, over the common territory of the two districts.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0306. BYLAWS AND RULES. The district may adopt bylaws and rules for the management and regulation of the district's affairs.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0307. ACQUISITION OF PROPERTY; EMINENT DOMAIN.

(a) In this section, "property" means property of any kind, except that the term does not include a lighter, tug, barge, or other floating equipment of any nature.

(b) If necessary or convenient to exercising a power, right, privilege, or function conferred on the district by this chapter, the district:

(1) by gift or purchase may acquire property or an interest in property that is inside or outside the district boundaries; or

(2) by exercising the power of eminent domain may acquire property or an interest in property that is inside or outside the district boundaries.

(c) The district must exercise the power of eminent domain 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 any judicial proceeding.

(d) The district's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the district submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0308. MORTGAGE OR FORCED SALE OF CERTAIN DISTRICT FACILITIES. The district may not mortgage or subject to forced sale a facility in use by the district on March 7, 1957.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0309. GENERAL AUTHORITY TO MAKE CONTRACTS AND EXECUTE INSTRUMENTS. The district may make a contract or execute an instrument necessary or convenient to exercising a power, right, privilege, or function conferred on the district by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0310. AUTHORITY TO SUE AND BE SUED. The district may sue and be sued in the district's corporate name. Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0311. SEAL. The district may adopt and use a corporate seal. Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 5010.0401. DEPOSITORY; DEPOSIT AND USE OF DISTRICT MONEY; REPORT. (a) The board shall select a depository or depositories for the district in the manner provided by law for the selection of a county depository.

(b) The board in selecting a depository shall act in the same capacity and perform the same duties as the county judge and the commissioners court in selecting a county depository.

(c) A depository selected by the board:

(1) has the powers and duties provided by law for a county depository; and

(2) shall execute a depository bond, or pledge collateral in lieu of or in addition to a surety company bond, as provided by law for a county depository.

(d) After the depository or depositories have given bond or bonds as provided by law and the bond or bonds have been approved by the board, all district money shall be deposited in the depository or depositories by the officers or agents of the district appointed by the board to collect and deposit district money.

(e) District money shall be deposited in the appropriate account and kept separate. The accounts of the district are the:

(1) interest and sinking fund account;

(2) construction account; and

(3) maintenance and operations account.

(f) Money in the interest and sinking fund account may be

used only to pay the interest on and principal of the appropriate indebtedness.

(g) Each district depository shall prepare a report of all money received and all money paid out by the depository at the end of each month and shall file the report, along with vouchers and records of the district, with the secretary and treasurer of the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0402. ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC INSPECTION. (a) The board shall keep complete and accurate accounts conforming to approved governmental accounting standards.

(b) The accounts and all contracts, documents, and records:

(1) shall be kept at the district's principal office; and

(2) are public information under Chapter 552, Government Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0403. FILING COPIES OF AUDIT REPORT. Copies of the audit report prepared under Subchapter G, Chapter 49, Water Code, as required by Section 60.002, Water Code, shall be certified to by the accountant who performed the audit and filed:

(1) as required by Section 49.194, Water Code; and

(2) with the county clerk of Jefferson County.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0404. PROCEDURE FOR DISTRIBUTION OF MONEY. District money may be distributed by wire transfer or other electronic means authorized by the board, or by check, voucher, draft, order, or other written instrument signed by at least two persons authorized by board resolution to sign the instrument.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0405. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS, AND ISSUE ASSOCIATED BONDS. The district may:

(1) borrow money for the district's corporate purposes consistent with the constitution and general laws of this state;

(2) borrow money or accept a grant from the United States, this state, or an agency or subdivision created or designated by the United States or this state and, in connection with the loan or grant, enter into any agreement the United States, this state, or an agency or subdivision may require; and

(3) make and issue bonds for money borrowed, in the manner and to the extent provided by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0406. AUTHORITY TO BORROW MONEY FOR CURRENT EXPENSES; EVIDENCE OF OBLIGATION. (a) The district may:

(1) borrow money for current expenses; and

(2) evidence the borrowed money by warrants.

(b) The amount of the warrants may not exceed the anticipated revenue.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0407. AD VALOREM TAX FOR MAINTENANCE AND OPERATIONS. The district may impose an annual ad valorem tax at a rate not to exceed 10 cents on each \$100 valuation of taxable property in the district for the maintenance, operation, and upkeep of the district and the port facilities, properties, and improvements constructed by the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0408. IMPOSITION OF DISTRICT TAX BY COMMISSIONERS COURT. On request of the board, the Commissioners Court of Jefferson County, Texas, shall impose taxes necessary to pay the interest on the bonded debt and to create a sinking fund to retire

the principal of that debt.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. [4666](#)), Sec. 1, eff. September 1, 2019.

Sec. 5010.0409. STATUTE OF LIMITATIONS INAPPLICABLE. Collection of public charges of the district other than taxes is not barred by the running of the limitations period.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. [4666](#)), Sec. 1, eff. September 1, 2019.

SUBCHAPTER E. BONDS

Sec. 5010.0501. AUTHORITY TO ISSUE BONDS; ELECTION; TAXES FOR BONDS. (a) The district may issue bonds when the board finds that the bonds are necessary by an order entered of record in the board's minutes. The district may issue bonds to obtain money for any lawful purpose provided for in this chapter that the board considers necessary.

(b) The board shall direct the district engineer to prepare an estimate of the cost of necessary repairs, extensions, or additional improvements, together with all expenses incident to those repairs, extensions, or additional improvements, or the board on the board's own motion may prepare such an estimate.

(c) The board shall order an election to be held to determine whether district bonds shall be issued in an amount sufficient to pay the costs and expenses contained in the estimate prepared under Subsection (b). The election shall be held in accordance with Chapter [1251](#), Government Code. The board shall perform the duties and do all acts and things provided to be done by the governing body of a municipality, as provided by that chapter. The ballots at the election shall be printed as required by Chapter [1251](#), Government Code.

(d) If bonds have been voted, the board shall impose an annual ad valorem tax on all taxable property in the district sufficient to:

- (1) pay the interest on the bonds;
- (2) create a sinking fund to redeem and discharge the

bonds at maturity; and

- (3) pay the expense of imposing the tax.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0502. FORM OF BONDS. All bonds issued under this chapter must be:

- (1) issued in the district's name;
- (2) signed by the board president; and
- (3) attested by the district secretary and treasurer.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0503. MATURITY. District bonds, including refunding bonds, must mature not later than 40 years after the date of issuance.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. 4666), Sec. 1, eff. September 1, 2019.

Sec. 5010.0504. REVENUE BONDS. (a) The district may pledge all or part of the revenue derived from any source other than taxation to the payment of revenue bonds issued by the district, including:

- (1) revenue derived from the operation of:
 - (A) existing facilities;
 - (B) facilities to be acquired wholly or partly with the proceeds of the bonds; and
 - (C) other facilities to be acquired, regardless of the source of financing;
- (2) royalties and rentals from the lease of oil, gas, or other mineral properties owned by the district; and
- (3) revenue derived from property owned by the district and leased to others.

(b) As considered necessary to ensure the marketability of the obligations, a resolution or order authorizing the issuance of revenue bonds may contain covenants with the holders of the obligations as to:

(1) the development, management, and operation of the district's improvements and facilities;

(2) the collection of fees and charges for the use of the improvements and facilities;

(3) the disposition of the fees and charges;

(4) the issuance of future obligations and the creation of future liens and encumbrances against the improvements and facilities and the revenue of the improvements and facilities; and

(5) other pertinent matters.

(c) Revenue bonds, if payable from a source other than taxation, may be issued on a parity with other revenue bonds issued under this chapter or other applicable law, and the revenue bonds and parity revenue bonds may be payable from the same source.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. [4666](#)), Sec. 1, eff. September 1, 2019.

Sec. 5010.0505. REFUNDING BONDS. (a) The board may issue refunding bonds to refund like principal amounts of outstanding bonds of the district.

(b) Refunding bonds shall be payable from the same source as the bonds refunded except that bonds payable wholly or partly from ad valorem taxes may be refunded into bonds payable solely from district revenue other than ad valorem taxes, including revenue derived from:

(1) the operation of a facility owned or used by the district; or

(2) oil, gas, or other mineral properties or rights owned by the district, including rentals.

(c) The district may combine into a single issue:

(1) refunding bonds payable solely from revenue other than ad valorem taxes; and

(2) improvement bonds authorized under statutory authority other than this section and similarly payable.

(d) Refunding bonds may be:

(1) delivered in exchange for a like amount of the bonds to be refunded;

(2) sold, and the proceeds from the sale applied to the payment of the bonds to be refunded; or

(3) exchanged in part and sold in part.

(e) If the bonds to be refunded have not matured or become callable for redemption under the terms of the bonds, the proceeds of the sale of the refunding bonds may be deposited with a paying agent for the outstanding bonds. The paying agent shall apply the proceeds to the payment of the outstanding bonds:

(1) at maturity or the first available redemption date; or

(2) on earlier voluntary surrender by the bondholder.

(f) If refunding bond proceeds are deposited as provided by Subsection (e):

(1) interest on the outstanding bonds to maturity or the first available redemption date, together with any applicable redemption premiums, shall be deposited with the proceeds; and

(2) the refunding bond proceeds may, at the direction of the district, be invested by the paying agent in direct obligations of the United States that mature not later than the date on which the bonds to be refunded mature or the first available redemption date of those bonds.

(g) The interest received on refunding bond proceeds invested under Subsection (f)(2) shall be paid to the district to be applied to the payment of the interest falling due on the refunding bonds, and any surplus over the interest falling due may be used by the district for the district's general purposes.

(h) Refunding bonds issued under this section shall be authorized, secured, and issued in the manner provided by this chapter or by pertinent general law for the issuance of other bonds by the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 495 (H.B. [4666](#)), Sec. 1, eff. September 1, 2019.

SUBCHAPTER F. SPECIAL PURPOSE AREA

Sec. 5010.0601. DEFINITION. In this subchapter, "special purpose area" means the territory described by Section 3 of the Act

enacting this subchapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 107 (S.B. [1643](#)), Sec. 2, eff. May 24, 2021.

Sec. 5010.0602. REPORTING OF CARGO AND VESSEL MOVEMENTS. Waterborne commercial cargo and vessel movements originating in or departing from the special purpose area may be attributed as waterborne commercial cargo or vessel movements originating in or departing from the district for the purpose of reporting to the United States Army Corps of Engineers under applicable federal law.

Added by Acts 2021, 87th Leg., R.S., Ch. 107 (S.B. [1643](#)), Sec. 2, eff. May 24, 2021.

Sec. 5010.0603. EFFECT ON OTHER DISTRICTS. The inclusion of the special purpose area in the district does not affect any powers or duties exercised in the special purpose area by the Sabine-Neches Navigation District or the Orange County Navigation and Port District.

Added by Acts 2021, 87th Leg., R.S., Ch. 107 (S.B. [1643](#)), Sec. 2, eff. May 24, 2021.

Sec. 5010.0604. TAXATION PROHIBITED. The district may not impose a tax in the special purpose area.

Added by Acts 2021, 87th Leg., R.S., Ch. 107 (S.B. [1643](#)), Sec. 2, eff. May 24, 2021.