

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 6. WATER AND WASTEWATER  
SUBTITLE G. RIVER AUTHORITIES  
CHAPTER 8511. NUECES RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8511.0101. DEFINITIONS. Unless the context otherwise requires, in this chapter:

- (1) "Authority" means the Nueces River Authority.
- (2) "Board" means the authority's board of directors.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Development board" means the Texas Water Development Board.
- (5) "Director" means a board member.
- (6) "State" means the State of Texas or any of its agencies, departments, boards, political subdivisions, or other entities.
- (7) "Waste" means sewage, industrial waste, municipal waste, recreational waste, agricultural waste, waste heat, solid waste, or any other waste.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0102. NATURE OF AUTHORITY. (a) The authority is:

- (1) a conservation and reclamation district under Section [59](#), Article XVI, Texas Constitution; and
- (2) a municipality.

(b) The authority's creation is essential to accomplish the purposes of Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0103. PURPOSE OF CHAPTER. The purpose of this chapter is to provide by the means and in the manner authorized in

this chapter for the conservation and development of this state's natural resources inside the Nueces River Basin, including:

(1) the control, storage, preservation, and distribution of this state's water for domestic and municipal uses, industrial uses, irrigation, mining and recovery of minerals, stock raising, underground water recharge, electric power generation, navigation, recreation and pleasure, and other beneficial uses and purposes;

(2) the reclamation and irrigation of arid, semiarid, and other land needing irrigation;

(3) the reclamation and drainage of overflowed land and other land needing drainage;

(4) the maintenance and enhancement of the quality of the water in the Nueces River Basin;

(5) the conservation and development of the forests, water, and hydroelectric power;

(6) the navigation of inland and coastal water; and

(7) the provision of systems, facilities, and procedures for the collection, transportation, handling, treatment, and disposal of waste.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0104. REVIEW SCHEDULE UNDER SUNSET ACT. A review of the authority under Section [325.025](#), Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2031, and every 12th year after that year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0105. TERRITORY. (a) The authority is composed of the territory described by Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935, as that territory may have been modified under:

(1) Subsection (c) or its predecessor statute, Section 2.02(c), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The board shall record in the authority's minutes the written description of the boundaries in Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935.

(c) If the directors find any land included in the field notes, other than land in San Patricio, Nueces, and Jim Wells Counties, that is not actually included in the watershed of the Nueces River, the board shall exclude the land from the authority and file a certificate of exclusion with the county clerk of the county in which the land is located. The certificate of exclusion must describe the boundaries of the land excluded so that the land remaining in the authority may be adequately identified.

(d) The boundaries and field notes of the authority form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the authority's organization, existence, or validity;

(2) the authority's right to issue any type of bond for a purpose for which the authority is created or to pay the principal of or interest on the bond;

(3) the right to impose a tax; or

(4) the legality or operation of the authority or its governing body.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0106. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve its purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8511.0201. MEMBERSHIP OF BOARD. (a) The board consists of 21 directors appointed by the governor with the advice and consent of the senate.

(b) Each director must be a qualified voter and a resident of a county that is wholly or partly inside the authority as described by Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935.

(c) Four directors must be residents of Nueces County. Two directors must be residents of San Patricio County. Two directors must be residents of Jim Wells County.

(d) Not more than four persons who reside in Nueces County and not more than two persons who reside in any other county that is wholly or partly inside the authority may be appointed to or serve on the board at the same time.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0202. TERMS. Directors serve staggered terms of six years, with one-third of the directors taking office February 1 of each odd-numbered year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0203. REMOVAL. (a) The governor may remove a director from office for:

- (1) inefficiency;
- (2) neglect of duty;
- (3) misconduct in office; or
- (4) absence from three consecutive regular board meetings.

(b) Before a director is removed from office, the board shall conduct a hearing on the charges against the director, and the director is entitled to appear at the hearing and present evidence to show why the director should not be removed from office.

(c) At least 30 days before the date of the hearing, the director shall be given notice of:

- (1) the charges against the director; and
- (2) the time and place for the hearing.

(d) An affirmative vote of not fewer than 11 of the directors is required to approve a removal recommendation.

(e) A removal recommendation shall be forwarded to the governor for the governor's consideration and action in accordance with this section.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0204. VACANCY. A board vacancy shall be filled in the manner provided by Section 8511.0201 for making the original appointment.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0205. BYLAWS. The board shall adopt necessary bylaws for the conduct of the authority's business.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0206. BOND REQUIREMENT FOR DIRECTORS. (a) As a qualification for office, a director must execute a bond in an amount determined by the board conditioned on the faithful performance of the director's duties.

(b) The authority shall pay the premiums on the bond.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0207. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive an allowance in an amount not to exceed that provided under Section 49.060, Water Code.

(b) A director is not entitled to receive a per diem allowance for more than 50 days in a calendar year.

(c) In all areas of conflict with this section, Section 49.060, Water Code, takes precedence.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0208. OFFICERS. (a) The governor shall designate a director as board president to serve in that capacity at

the governor's pleasure.

(b) The board shall elect one or more vice presidents, a secretary, a treasurer, and any other officers as the directors may determine in the bylaws or otherwise.

(c) Each vice president, the secretary, and the treasurer must be a director, but other officers are not required to be directors.

(d) The offices of secretary and treasurer may be combined, and the offices of assistant secretary and assistant treasurer may be combined.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0209. COMMITTEES. (a) The board may appoint or establish an executive committee and appoint or provide for the appointment of other committees as necessary or desirable to assist in conducting the authority's business.

(b) Subject to the applicable rules of law on delegation of powers, the board may assign or delegate or provide for the assignment or delegation of any powers, duties, and functions to its committees as the board may prescribe.

(c) A committee member who is not a director may not vote on a matter coming before the committee unless specifically authorized by the board to do so.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0210. EXECUTIVE DIRECTOR. (a) The board may employ an executive director and set the executive director's salary and other compensation by a majority vote of all the qualified directors.

(b) The executive director is the authority's chief executive officer.

(c) Under policies the board and the executive committee establish, the executive director is responsible to the board and the executive committee for:

(1) administering the directives of the board and the

executive committee;

(2) keeping the authority's records, including minutes of meetings of the board and the executive committee;

(3) coordinating with state, federal, and local agencies;

(4) developing plans and programs for the approval of the board or the executive committee;

(5) hiring, supervising, training, and discharging the authority's employees, as authorized by the board or the executive committee;

(6) contracting for or retaining technical, scientific, legal, fiscal, and other professional services, as authorized by the board or the executive committee; and

(7) performing any other duties assigned to the executive director by the board or the executive committee.

(d) The board may discharge the executive director by a majority vote of all the qualified directors.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0211. DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing authority operations;

(2) the authority's programs, functions, rules, and budget;

(3) the results of the authority's most recent formal audit;

(4) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B) other laws applicable to members of the

governing body of a river authority in performing their duties; and

(5) any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The executive director shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the executive director a statement acknowledging that the director has received and reviewed the training manual.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0212. INTEREST IN CONTRACT. (a) A director who is financially interested in a contract to be executed by the authority for the purchase, sale, lease, rental, or supply of property, including supplies, materials, and equipment, or the construction of facilities shall disclose that fact to the other directors and may not vote on or participate in discussions during board meetings on the acceptance of the contract.

(b) An interest described by Subsection (a) does not affect the validity of a contract if the disclosure is made and the interested director does not vote on the question of entering into the contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0213. SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS. The board shall develop and implement policies that clearly separate the board's policymaking responsibilities and the executive director's and staff's management responsibilities.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.



Sec. 8511.0214. PUBLIC TESTIMONY. (a) The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the authority's jurisdiction.

(b) At each regular board meeting, the board shall include public testimony as a meeting agenda item and allow members of the public to comment on other agenda items and other matters under the authority's jurisdiction. The board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0215. DIRECTORS' AND EMPLOYEES' FIDELITY BONDS.

(a) The executive director, the treasurer, and each of the authority's officers, agents, or employees who is charged with the collection, custody, or payment of authority money shall execute a fidelity bond.

(b) The board must approve the bond's form, amount, and surety.

(c) The authority shall pay the premiums on the bond.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0216. AUTHORITY'S OFFICE. The authority shall maintain its principal office inside its boundaries.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0217. COMPLAINTS. (a) The authority shall maintain a system to act promptly and efficiently on complaints filed with the authority.

(b) The authority shall maintain information about:

- (1) the parties to the complaint;
- (2) the subject matter of the complaint;
- (3) a summary of the results of the review or

investigation of the complaint; and

(4) the complaint's disposition.

(c) The authority shall periodically notify the parties to the complaint of the complaint's status until final disposition.

(d) The authority shall make information available describing its procedures for complaint investigation and resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0218. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

(a) The board shall develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.

(b) The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The authority shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0219. FIVE-YEAR STRATEGIC PLAN. (a) The authority shall adopt and promptly publish on the authority's Internet website a written strategic plan that:

(1) sets the authority's goals for the following five years;

(2) establishes the authority's mission; and

(3) describes the anticipated activities that the

authority will perform in the Nueces River Basin over the following five years.

(b) The authority shall update the strategic plan regularly and publish the updated versions of the plan on the authority's Internet website.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8511.0301. GENERAL POWERS AND DUTIES. (a) The authority shall:

- (1) administer this chapter; and
- (2) use its facilities and powers to accomplish the purposes of this chapter.

(b) The authority may:

- (1) exercise the powers, rights, privileges, and functions in this chapter;
- (2) exercise all powers, rights, and privileges necessary or convenient for accomplishing the purposes of this chapter; and
- (3) perform any other act necessary or convenient to the exercise of the powers, rights, privileges, or functions conferred by this chapter or other laws.

(c) The board may provide for any expenditures it considers essential or useful in the authority's maintenance, operation, and administration.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0302. CONTROL AND USE OF WATERS. (a) The authority may exercise power over the storm water and floodwater of the Nueces River Basin.

(b) The authority may exercise the powers of control and use of this state's water in the following manner and for the following purposes:

- (1) to provide for the control and coordination of

water use in the Nueces River Basin as a unit;

(2) to provide for the preservation of the rights of the people of the different sections of the Nueces River Basin in the beneficial use of water by adequate organization and administration;

(3) to provide for conserving storm water, floodwater, and unappropriated flow water of the Nueces River Basin, including the storage, control, transportation, treatment, and distribution of that water, and the prevention of the escape of any of that water without the maximum of public service;

(4) to provide for the prevention of the devastation of land from recurrent overflows;

(5) to provide for the protection of life and property in the Nueces River Basin from uncontrolled floodwater;

(6) to provide for the conservation of water essential for domestic and other water uses of the people of the Nueces River Basin, including all necessary water supplies for municipalities and industrial districts;

(7) to provide for the irrigation of land in the Nueces River Basin where irrigation is required for agricultural purposes or may be considered helpful to more profitable agricultural production;

(8) to provide for the equitable distribution of storm water, floodwater, and unappropriated flow water to meet the regional potential requirements for all uses;

(9) to provide for the encouragement and development of drainage systems and provisions for the drainage of land in the valleys of the Nueces River and its tributary streams needing drainage for profitable agricultural and livestock production and industrial activities and the drainage of other land in the authority's watershed area requiring drainage for the most advantageous use;

(10) to provide for the conservation of soil against destructive erosion to prevent the increased flood menace incident to erosion;

(11) to control and make available for use storm water, floodwater, and unappropriated flow water as may be

authorized by the commission in the development of commercial and industrial enterprises in all sections of the authority's watershed area;

(12) to provide for the control, storage, and use of storm water, floodwater, and unappropriated flow water in the development and distribution of hydroelectric power, if that use may be economically coordinated with other and superior uses and subordinated to the uses declared by law to be superior; and

(13) to provide for each purpose and use for which storm water, floodwater, and unappropriated flow water when controlled and conserved may be used in the performance of a useful service as contemplated and authorized by the provisions of the constitution and statutes.

(c) The authority may:

(1) control, store, and preserve the water of the Nueces River and its tributaries inside the authority's boundaries for a useful purpose;

(2) use, distribute, and sell the water for a beneficial purpose inside and outside the authority; and

(3) acquire water and water rights inside and outside the authority.

(d) All plans and works provided by the authority and all works that may be provided under the authority's authorization should have primary regard to the necessity and potential needs for water by or in the respective areas constituting the watershed of the Nueces River and its tributary streams.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0303. USE OF BED AND BANKS OF NUECES RIVER AND ITS TRIBUTARIES. Subject to the commission's approval, the authority may use the bed and banks of the Nueces River and its tributary streams for any purpose necessary to accomplish the authority's plans for storing, controlling, conserving, transporting, and distributing storm water, floodwater, and appropriated flow waters for useful purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,

eff. April 1, 2023.

Sec. 8511.0304. MASTER PLAN. (a) The authority shall prepare and file with the commission a master plan for the maximum development of the soil and water resources of the entire Nueces River watershed, including plans for the complete use, for all economically beneficial purposes, of the watershed's water resources. The authority may amend the master plan as appropriate to accomplish the purposes of this section.

(b) After the master plan or any amendments to the plan have been filed with the commission, notice of the application of any person who desires to acquire the right to use state water that is in the Nueces River watershed shall be provided to the authority. After public hearing as provided by law, the commission may grant or deny the proposed application in the manner required by law, notwithstanding any contrary provision of the master plan or any amendments to the plan.

(c) Each work constructed by the authority shall be constructed and operated in a manner that, in the greatest practicable degree, conforms to the master plan and any amendments to the plan.

(d) This section may not be construed to interfere with any improvement of the Nueces River or its tributaries or with a grant or loan in aid of any improvement made by the United States or by this state.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0305. WATER CONSERVATION PROGRAM. The board shall adopt and implement a program of water conservation that:

(1) incorporates the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses; and

(2) the commission and development board determine meets reasonably anticipated local needs and conditions.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0306. FORESTATION AND REFORESTATION. The authority may forest, reforest, or aid in foresting or reforesting the watershed of the Nueces River and its tributaries.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0307. GROUNDWATER. (a) The authority may conduct surveys and studies of the groundwater supplies in the authority to:

(1) determine the location and quantity of groundwater available for irrigation and other purposes; and

(2) develop and ascertain other information that in the authority's judgment may be necessary to fully develop irrigation and other water uses from the groundwater in the authority.

(b) With the approval and under the supervision of the commission, the authority may appropriate storm water and floodwater to recharge underground freshwater-bearing sand and aquifers in the Nueces River Basin.

(c) The authority shall cooperate with the Edwards Aquifer Authority, or its lawful successor, and any other groundwater conservation district inside the authority's boundaries in any groundwater recharge project in an area where a groundwater conservation district has jurisdiction.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0308. WATER QUALITY CONTROL. (a) The authority may exercise the powers vested in a river authority by Chapters [5](#), [7](#), [17](#), [26](#), and [30](#), Water Code, and Chapter [366](#), Health and Safety Code.

(b) The authority may perform the licensing and other functions authorized to be delegated to a local government by the commission in connection with the regulation of private sewage

facilities under Chapter 366, Health and Safety Code.

(c) The authority may serve as the entity to provide regional or area-wide waste collection, treatment, and disposal systems as provided by Subchapter C, Chapter 26, Water Code.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0309. SOLID WASTE SERVICES. The authority may acquire, construct, maintain, and provide facilities, equipment, and disposal sites to provide solid waste collection, transportation, treatment, and disposal services inside the authority, charge for the services, and enter into a contract for the services with any person.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0310. APPLICABILITY OF CERTAIN ENVIRONMENTAL LAWS. The authority may exercise the powers and functions vested in a river authority by Chapter 383, Health and Safety Code.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0311. PARKS AND RECREATIONAL FACILITIES. The authority may:

(1) acquire land adjacent to or in the vicinity of the Nueces River or any of its tributaries for park and recreational purposes; and

(2) acquire, construct, and maintain park and recreational facilities on the land.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0312. PERMITS AND LICENSES. In the manner provided by Chapters 5, 11, and 12, Water Code, the authority may apply for any permit, license, franchise, or other grant of authority it may require from the commission, the development board, or any other federal, state, or local governmental agency in



exercising its powers and accomplishing the purposes under this chapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0313. SERVICE CONTRACTS AND CHARGES. (a) The authority may enter into a service contract and may adopt resolutions and orders establishing rates and providing for the collection of fees and charges for:

- (1) the sale or use of water;
- (2) water transmission, treatment, and storage facility services;
- (3) solid and liquid waste collection, treatment, and disposal services and facilities;
- (4) the use of park and recreational facilities;
- (5) the sale of power and electric energy; and
- (6) other services or facilities sold, provided, or supplied by the authority.

(b) The fees and charges must be sufficient to produce revenue adequate to:

- (1) pay expenses necessary for the operation and maintenance of the authority's properties and facilities;
- (2) pay the principal of or the interest on any bonds or other obligations issued by the authority when due and payable;
- (3) fulfill any reserve or other fund obligations of the authority in connection with the bonds or other obligations; and
- (4) pay any other expenses the board may consider necessary and proper for the authority's operations.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0314. USE OF REVENUE AND PROPERTY. The use of any authority money or property for any purpose not provided by this chapter is prohibited.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0315. ACQUISITION, MAINTENANCE, AND OPERATION OF PROPERTY. The authority may purchase, lease, acquire by gift, maintain, use, and operate property of any kind inside or outside the authority that is appropriate for the exercise of its functions.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0316. ACQUISITION, CONSTRUCTION, MAINTENANCE, AND OPERATION OF FACILITIES. The authority may acquire in any manner, construct, extend, improve, maintain, reconstruct, use, and operate facilities inside or outside the authority that are necessary or convenient for the exercise of its powers, rights, duties, and functions.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0317. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain under Chapter [21](#), Property Code, to acquire property of any kind inside or outside the authority that is appropriate for the exercise of its functions.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0318. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the authority's exercise of the power of eminent domain, the power of relocation, or any other power makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the authority's sole expense.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0319. DISPOSITION OF PROPERTY. The authority may:

(1) sell any property or interest in property of any kind owned by the authority by installments or otherwise, including a sale in any manner prescribed or permitted by:

- (A) Chapter 383, Health and Safety Code;
- (B) Section 552.014, Local Government Code; or
- (C) Chapter 30, Water Code; or

(2) lease, exchange, or otherwise dispose of any property described by Subdivision (1) or interest in property.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0320. GENERAL CONTRACT POWERS. The authority may enter into a contract or execute an instrument that is necessary or convenient for the exercise of its powers, rights, duties, and functions.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0321. AWARD OF CERTAIN CONTRACTS. (a) Any construction, maintenance, operation, or repair contract, or contract for the purchase of material, equipment, or supplies, or any contract for services other than technical, scientific, legal, fiscal, or other professional services, which will require an estimated expenditure of more than \$10,000, or is for a term of six months or more, shall be awarded to the lowest and best bidder.

(b) In the event of a catastrophe or calamity of any kind, the authority may award a contract necessary to protect and preserve the public health and welfare or the authority's property without using bidding procedures.

(c) The authority:

(1) shall publish notice:

(A) to bidders once each week for three consecutive weeks before the date set for awarding the contract; and

(B) in a newspaper having general circulation in the county or counties in which the contract is to be performed; and

(2) may publish notice in any other appropriate publication.

(d) The notice is sufficient if it states the time and place when and where the bids will be opened, the general nature of the work to be done, or the material, equipment, or supplies to be purchased, or the nonprofessional services to be rendered, and states the terms upon which copies of the plans, specifications, or other pertinent information may be obtained.

(e) A person who desires to bid on the construction of any advertised work shall, on written application to the authority, be provided a copy of the plans and specifications or other engineering and architectural documents showing all of the details of the work to be done. A charge may be made to cover the cost of making the copy.

(f) A bid must be:

(1) in writing;

(2) sealed and delivered to the authority; and

(3) accompanied by a certified check drawn on a responsible bank in this state or, at the discretion of the authority, a bid bond from a company approved by the authority, in an amount equal to at least one percent of the total amount bid.

(g) The authority shall open bids at the place specified in the published notice and shall announce the bids. The place where the bids are opened and announced must be open to the public. The award of the contract shall be made by:

(1) the board; or

(2) the executive committee, if authorized by the board.

(h) The person with whom a contract is made shall provide the performance and payment bonds required by law.

(i) The amount of a check or bond provided under Subsection (f) is forfeited to the authority if the successful bidder fails or refuses to:

(1) enter into a proper contract; or

(2) provide a bond as required by law.

(j) The authority may reject any or all bids.

(k) The authority may waive any informality in the bids.

(1) This section does not prohibit the authority from taking the following actions by negotiated contract and without necessity for advertising for bids:

(1) purchasing or acquiring land or an interest in land from any person;

(2) acquiring, constructing, or improving pollution control or waste collection and disposal facilities in accordance with Chapter 30, Water Code, Chapter 383, Health and Safety Code, or other applicable statutes; or

(3) purchasing or acquiring surplus property from a governmental entity.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0322. CONSTRUCTION CONTRACTS: PAYMENT. (a) The contract price of any construction contract of the authority may be paid in partial payments as the work progresses, but the payments may not exceed 90 percent of the amount due at the time of the payments as shown by the authority engineer's report.

(b) The executive director shall, at all times during the progress of the work, inspect the work or have the work inspected by the authority engineer or the engineer's assistants.

(c) On certification of the executive director and the authority engineer of the completion of the contract in accordance with its terms and, in the case of any construction contract for which notice to bidders is required by Section 8511.0321(c), on

board approval, the authority shall draw a warrant on its depository to pay the balance due on the contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0323. CONFLICT OF INTEREST IN CERTAIN CONTRACTS. An officer, agent, or employee of the authority who is financially interested in a contract of a type described by Section [8511.0321](#)(a) shall disclose that fact to the board before the board votes on the acceptance of the contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0324. SURVEYS AND ENGINEERING INVESTIGATIONS. The authority shall conduct surveys and engineering investigations to develop information for its use.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0325. PLANS. The board may:

(1) make and determine plans necessary to accomplish the purposes for which the authority is created; and

(2) perform all actions useful and helpful in carrying out the plans described by Subdivision (1) and accomplishing the authority's purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0326. ACCESS TO AUTHORITY PROPERTY. (a) To provide for the safety and welfare of persons and their property or for the protection and security of authority property and facilities, the board may adopt rules with respect to authority property and any water reservoir or dam the construction, operation, or management of which is participated in by the authority to control and regulate:

(1) ingress, egress, and use; and

(2) the operation of land and water vehicles.

(b) All public roads, streets, and state highways that as of September 1, 1975, traversed the areas to be covered by any impounded water shall remain open as a way of public passing to and from the lakes created, unless changed by lawful authority.  
Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0327. LIMITATIONS ON POWERS AND DUTIES; COMMISSION APPROVAL OF CERTAIN PLANS. (a) The powers granted and duties prescribed by this chapter are subject to all legislative declarations of public policy in the maximum use of the storm water, floodwater, and unappropriated flow water of the Nueces River Basin for the purposes for which the authority is created.

(b) The commission shall consider the adequacy of, and approve or refuse to approve, any flood control or conservation improvement plan that:

(1) is devised by the authority to achieve a plan or purpose for which the authority was created; and

(2) contemplates improvements that are to be supervised by the commission under general law.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW PROVISIONS

Sec. 8511.0401. ADOPTION AND ENFORCEMENT OF RULES. (a) The authority may adopt and enforce rules reasonably required to effectuate this chapter.

(b) In adopting rules, the board shall comply, as appropriate, with the requirements of Chapters 2001 and 2002, Government Code.

(c) The board shall print its rules and provide copies to any person on written request.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0402. CIVIL PENALTY; INJUNCTIVE RELIEF. (a) A person who violates an authority rule or order is subject to a civil penalty of not less than \$50 or more than \$1,000 for each day of violation.

(b) The authority may sue to recover the penalty in a district court in the county in which the violation occurred. A penalty shall be paid to the authority.

(c) The authority may sue for injunctive relief in a district court in the county in which a violation of a rule or order occurred or is threatened.

(d) The authority may sue for injunctive relief and a penalty in the same proceeding.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0403. COURT REVIEW. (a) A person adversely affected by an authority rule or order may sue the authority in a district court to set aside the rule or order before the 31st day after the date on which the rule or order took effect.

(b) Venue for a suit under Subsection (a) is in:

(1) a county located wholly or partly in the authority in which the plaintiff resides; or

(2) the county in which the authority maintains its principal office.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8511.0501. DISBURSEMENT OF MONEY. The authority may disburse its money only by a check, draft, order, or other instrument signed by a person authorized to do so in the board's bylaws or by board resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0502. ACCOUNTS, CONTRACTS, AND OTHER RECORDS;



PUBLIC INSPECTION. (a) The authority shall keep complete and accurate accounts of its business transactions in accordance with generally accepted methods of accounting.

(b) The authority shall keep its accounts, contracts, documents, minutes, and other records at its principal office.

(c) Except as otherwise required by law, the authority may not disclose a record that it has relating to a trade secret or the economics of operation of business or industry.

(d) Except as provided by Subsection (c), the authority shall permit reasonable public inspection of its records during regular business hours.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0503. FEES AND CHARGES. (a) The authority shall establish fees and charges.

(b) The fees and charges may not exceed the amount necessary to fulfill the obligations imposed on the authority by this chapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0504. TRUST MONEY. Money collected by or donated, granted, loaned, or advanced to the authority is trust money for the purposes provided by this chapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0505. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the authority to serve as a depository for authority money.

(b) Authority money shall be deposited in a depository designated by the board, except that the following may be handled as provided in a trust indenture or bond resolution:

- (1) bond proceeds;
- (2) money pledged to pay bonds;
- (3) money placed in special funds; and

(4) money remitted to a bank of payment for the payment of the principal of and interest on bonds.

(c) The board shall prescribe the term of service for a depository.

(d) Before designating a depository, the board shall:

(1) publish notice one time in one or more newspapers of general circulation in the authority that are specified by the board; or

(2) mail a copy of the notice to each bank inside the authority.

(e) The notice must:

(1) state the time and place at which the board will meet to designate a depository; and

(2) invite the banks inside the authority to submit applications to be designated a depository.

(f) At the time stated in the notice, the board shall:

(1) consider the application and the management and condition of each bank that applies; and

(2) designate as a depository the bank or banks:

(A) that offer the most favorable terms for handling authority money; and

(B) that the board finds have proper management and are in condition to handle authority money.

(g) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(h) If the board does not receive any applications before the time stated in the notice, the board shall designate one or more banks inside or outside the authority on terms that the board finds advantageous to the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0506. INVESTMENT OF AUTHORITY MONEY; APPLICATION OF INCOME FROM INVESTMENTS. (a) Money in the authority's treasury that is not required for the current payment of obligations of the authority or for sinking funds and that the board considers

available for investment may be invested or reinvested by the authority in:

- (1) direct obligations of the United States;
- (2) obligations the principal and interest of which are guaranteed by the United States;
- (3) direct obligations of or participation certificates guaranteed by:
  - (A) a farm credit bank;
  - (B) the Federal National Mortgage Association;
  - (C) a federal home loan bank;
  - (D) a bank for cooperatives; or
  - (E) the successor or successors to any of the entities listed in this subdivision;
- (4) certificates of deposit of a bank or trust company the deposits of which are fully secured by a pledge of securities of any of the kind specified by Subdivision (3);
- (5) other securities made eligible for investment under this section by other laws and constitutional provisions; or
- (6) a combination of the investments listed in this subsection.

(b) The board shall determine the type and maturity of investments made under this section.

(c) A resolution relating to the issuance of bonds must provide appropriate recitals with regard to the investment of money in funds established in connection with the authorization of the bonds.

(d) The board shall direct the application of income from investments made under this section.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0507. FISCAL YEAR. The authority's fiscal year ends on August 31 of each year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0508. AUDIT. (a) In addition to including the

information required by Subchapter [G](#), Chapter [49](#), Water Code, the audit report prepared under that subchapter must state:

(1) the amount of money received by the authority under this chapter during the preceding fiscal year; and

(2) how, to whom, and for what purpose the money was spent.

(b) A copy of the audit report prepared under Subchapter [G](#), Chapter [49](#), Water Code, shall be filed:

(1) as required by Section [49.194](#), Water Code;

(2) with the governor;

(3) with the lieutenant governor;

(4) with the speaker of the house of representatives; and

(5) with the comptroller.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER F. TAX PROVISIONS

Sec. 8511.0601. MAINTENANCE AND ADMINISTRATION TAX. (a) The board may impose ad valorem taxes in amounts approved at an election held in accordance with Section [8511.0602](#) for:

(1) the maintenance of the authority and its improvements; or

(2) the authority's administrative expenses.

(b) The maintenance tax and administration tax may not exceed the maximum rate approved at the election, and the rate remains in effect until changed by a subsequent election. The tax rate may not exceed the limit specified by Section [8511.0604](#).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0602. ELECTION FOR AD VALOREM TAX OR BONDS PAYABLE FROM AD VALOREM TAXES. (a) An ad valorem tax for a purpose authorized by this chapter may not be imposed and bonds payable wholly or partly from ad valorem taxes, other than refunding bonds, may not be issued unless the taxes or bonds are approved by a

majority of the authority's voters voting at an election held in the authority.

(b) The election must be ordered by resolution of the board. The election resolution must include:

- (1) the date of the election;
- (2) the proposition to be submitted and voted on;
- (3) the polling places; and
- (4) any other matters the board considers advisable.

(c) There must be at least two polling places in each county that is wholly inside the authority, one of which must be at the county seat. There must be at least one polling place in that part of each county that is partly inside the authority.

(d) Notice of the election must be given by publishing a substantial copy of the resolution ordering the election in one or more newspapers of general circulation in the authority. The notice must be published at least twice in each newspaper. The first publication in each newspaper must occur at least 14 days before the date set for the election, and the interval between the publications in each newspaper must be at least one week.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0603. ASSESSMENT AND COLLECTION OF TAXES.

(a) Concurrently with the imposition of county taxes by the commissioners courts, the board shall impose a tax for the authority on all taxable property in the authority that is subject to taxation. The board shall immediately certify the tax rate to the assessor-collector of each county located wholly or partly inside the authority.

(b) The tax assessor-collector of each county located wholly or partly inside the authority shall act as the tax assessor-collector for the authority for property in the authority located in that county.

(c) The fee of each county tax assessor-collector for assessing and collecting the authority's taxes may not exceed one percent of the taxes collected, to be paid over and disbursed in each county in the same manner as other fees of office.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0604. MAXIMUM TAX RATE. Except as provided by Section 8511.0605, the maximum tax rate that may be imposed for any year for all purposes is 15 cents on each \$100 of assessed valuation of taxable property.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0605. POWERS RELATING TO IMPROVEMENTS PECULIAR TO DEFINED AREA. (a) The authority may exercise the powers specified by Sections 51.510 through 51.530, Water Code, relating to improvements peculiar to defined areas inside the authority.

(b) The tax rate limit specified by Section 8511.0604 does not apply with respect to an improvement constructed in exercise of a power authorized by this section.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

#### SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

Sec. 8511.0701. BORROWING MONEY; GRANTS. (a) The authority may:

(1) borrow money or accept a grant or donation for its corporate purposes from any person, including a private source, the United States, this state, or a local government; and

(2) enter into an agreement in connection with a loan, grant, or donation accepted under Subdivision (1).

(b) The source of any money accepted by the authority is public information, both as to amount and any restrictions placed by the donor on its expenditure.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0702. POWER TO APPLY FOR MONEY FOR ENGINEERING SURVEYS, INFORMATION COMPILATION AND COLLECTION, AND OTHER

PURPOSES. (a) The authority may apply to any person, including this state and the United States, for money necessary to:

(1) secure engineering surveys and the compilation and collection of information relating to regional and general conditions entering into and influencing the character and extent of the improvements necessary to accomplish the storage, control, transportation, treatment, conservation, and equitable distribution to the greatest public advantage of the floodwater, normal flow water, and storm water that is stored and controlled; or

(2) accomplish or carry out any purpose of this chapter.

(b) The authority:

(1) shall request an amount it considers sufficient;

(2) may make the necessary agreements with the party providing the money; and

(3) may appropriate the amount of the estimated equitable contribution of the costs of developing essential engineering information.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0703. POWER TO ISSUE BONDS. (a) For the purpose of carrying out any power conferred by this chapter, including preparation of the master plan and payment of engineering and related expenses, the authority may issue bonds in three general classes:

(1) bonds secured by ad valorem taxes;

(2) bonds secured by a pledge of all or part of the revenue accruing to the authority from any source other than ad valorem taxes, including the revenue received from:

(A) the sale of water or other products;

(B) the rendition of services;

(C) tolls; and

(D) charges; and

(3) bonds secured by a combination pledge of:

(A) taxes; and

(B) all or part of the revenue described by

Subdivision (2).

(b) The bonds must be authorized by a board resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0704. FORM OF BONDS. Authority bonds must be:

- (1) in the form the board prescribes;
- (2) issued in the authority's name;
- (3) signed by the president or a vice president; and
- (4) attested by the secretary.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0705. MATURITY. Authority bonds must mature not later than 50 years after the date of their issuance.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0706. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Authority bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by an election at which a majority of the votes cast favor the bond issuance. The election must be held in accordance with Section [8511.0602](#).

(b) The authority may issue bonds not payable wholly or partly from ad valorem taxes without an election.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0707. TRUST INDENTURE. Authority bonds may be further secured by a trust indenture with a corporate trustee.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0708. ADDITIONAL BONDS. A pledge of revenue may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate



to the bonds then being issued.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0709. ADDITIONAL PROVISIONS IN RESOLUTION AUTHORIZING BONDS OR TRUST INDENTURE. (a) The resolution authorizing the bonds or the trust indenture further securing the bonds may specify additional provisions that constitute a contract between the authority and its bondholders.

(b) The board has full discretion in providing for the additional provisions, including the authority to provide for a corporate trustee or receiver to take possession of authority facilities if the authority defaults in fulfilling the covenants made in the resolution or trust indenture.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Sec. 8511.0710. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding authority bonds and interest on the bonds.

(b) Refunding bonds may:

- (1) be issued to refund bonds of one or more series;
- (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
- (3) be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be

issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded. Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.