

WATER CODE

TITLE 4. GENERAL LAW DISTRICTS

CHAPTER 55. WATER IMPROVEMENT DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see S.B. 766, 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 55.001. DEFINITIONS. In this chapter:

(1) "District" means a water improvement district created under this chapter.

(2) "Board" means the board of directors of a water improvement district.

(3) "Commission" means the Texas Natural Resource Conservation Commission.

(4) "Executive director" means the executive director of the Texas Natural Resource Conservation Commission.

Acts 1971, 62nd Leg., p. 428, ch. 58, Sec. 1, eff. Aug. 30, 1971. Amended by Acts 1981, 67th Leg., p. 961, ch. 367, Sec. 1, eff. June 10, 1981; Acts 1985, 69th Leg., ch. 795, Sec. 1.144, eff. Sept. 1, 1985; Acts 1991, 72nd Leg., 1st C.S., ch. 3, Sec. 1.078, eff. Aug. 12, 1991.

SUBCHAPTER B. CREATION OF DISTRICT; CONVERSION TO ARTICLE XVI,
SECTION 59, DISTRICT

Sec. 55.021. CREATION OF DISTRICT. A water improvement district may be created in the manner prescribed by this subchapter, either under and subject to the limitations of Article III, Section 52, of the Texas Constitution, or under Article XVI, Section 59, of the Texas Constitution.

Acts 1971, 62nd Leg., p. 428, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.022. DISTRICT WHOLLY WITHIN ONE COUNTY. The commissioners court of a county, at any regular or called session,

may create one or more water improvement districts in the county as provided by this subchapter.

Acts 1971, 62nd Leg., p. 428, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.023. DISTRICT MAY INCLUDE CITIES, TOWNS, ETC. A district may include all or part of one or more cities, towns, villages, and municipal corporations, but no land may be included in more than one district at any one time.

Acts 1971, 62nd Leg., p. 428, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.024. PETITION. (a) A petition requesting creation of a district may be presented to the commissioners court. The petition must be signed by a majority of the persons who hold title to land in the proposed district, representing a total value of more than 50 percent of the value of all the land in the proposed district as indicated by the county tax rolls. However, if there are more than 50 persons holding title to land in the proposed district, the petition is sufficient if signed by 50 of them. The petition must set out the boundaries of the district and designate a name for the district.

(b) The petition may be signed and presented to the commissioners court in several copies. In this case the county clerk shall make a certified copy of the petition, including a list of the names of all signers, and shall file the certified copy and the original copies. The certified copy of the petition shall be considered the petition in all proceedings under this chapter.

Acts 1971, 62nd Leg., p. 428, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.025. DATE SET FOR HEARING. The commissioners court shall set a date for a hearing on the petition, to be held at a regular or special session not less than 15 days nor more than 40 days after the day the petition is presented.

Acts 1971, 62nd Leg., p. 429, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.026. NOTICE OF HEARING. (a) The county clerk shall issue a notice of the hearing directed to the sheriff giving the date and place of the hearing, and a copy of the order of the court

setting the hearing. The sheriff shall serve the notice in the manner provided by law.

(b) The sheriff shall post copies of the notice in three public places in the proposed district, and shall post one copy at the courthouse door or on the bulletin board used for public notices. These notices shall be posted for 10 full days before the date of the hearing. The notice shall also be published once in a newspaper of general circulation in the county, if a newspaper is published in the county, at least five days before the date of the hearing. The sheriff shall make return of a true copy of the notice, showing the times and places of posting and publication. The county clerk shall record the return in the minutes of the court.

(c) Any person interested may inspect the boundaries of the district as set out in the petition, and any person may inspect the petition in the office of the county clerk.

Acts 1971, 62nd Leg., p. 429, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.027. HEARING. (a) At the hearing, any person whose land is included in and would be affected by the district may support or oppose creation of the district and may offer testimony to show that the district is or is not necessary, would or would not be of public utility, or would or would not be feasible or practicable.

(b) Except as otherwise provided by this chapter, the commissioners court has exclusive jurisdiction to hear and determine all contests and objections to creation of the district and all other matters pertaining to creation of the district.

(c) The commissioners court may adjourn the hearing from day to day.

(d) The judgment rendered by the commissioners court is final, except as otherwise provided by this chapter.

Acts 1971, 62nd Leg., p. 429, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.028. FINDINGS; ORDER. The commissioners court shall make and enter its findings in the record. If it finds that creation of the district and the construction or purchase of the

proposed irrigation system, or cooperation with the United States as provided by Section 55.161 of this code, is feasible, practicable, and necessary, and would be a public benefit and a benefit to the land included in the district, then the court shall make and enter an order granting the petition and directing that an election be held in the proposed district. Otherwise, the court shall dismiss the petition at the cost of the petitioners.

Acts 1971, 62nd Leg., p. 430, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.029. APPEAL. (a) Any petitioner or any landowner in the district aggrieved by the order of the commissioners court may appeal the order to the district court. Notice of appeal must be filed with the commissioners court at the time of the hearing, and an appeal bond must be filed with the county clerk within 10 days after the day notice of appeal is given. At the time notice of appeal is given, the commissioners court shall fix the amount of the appeal bond at not less than \$2,000 nor more than \$5,000; and the bond shall be made payable to the county judge for the benefit of adverse parties.

(b) Except as otherwise provided by this section, the appeal shall be tried de novo under the rules prescribed for practice in the district court and shall be de novo.

(c) The county clerk shall transfer to the district clerk the judgment and all records filed in the commissioners court within 10 days after the day the appeal bond is filed, and no other pleadings need be filed.

(d) The final judgment on appeal shall be certified to the commissioners court for its action within 10 days after the day the judgment becomes final.

Acts 1971, 62nd Leg., p. 430, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.031. VOTING PRECINCTS. (a) The commissioners court, at the time it orders the election, shall order creation of one or more election precincts in the district and shall designate polling places in each precinct.

(b) The election precincts created under this section shall remain the election precincts of the district until changed by an

order of its board.

Acts 1971, 62nd Leg., p. 430, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.032. ELECTION OFFICIALS. The commissioners court shall appoint two judges and two clerks for each polling place, and designate one of the judges to be presiding judge. If an officer fails to serve, his place shall be filled in the manner provided by the general election law.

Acts 1971, 62nd Leg., p. 430, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.037. DIRECTORS. The commissioners court shall declare the five persons receiving the most votes to be elected directors. If not all five positions can be determined because of a tie vote, the commissioners court shall fill the necessary positions by selecting among the tying candidates.

Acts 1971, 62nd Leg., p. 431, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.038. ISSUANCE OF NOTES. (a) If the proposition to issue notes carries, the board of directors shall issue notes of the district, in an amount not to exceed four percent of the cost of the proposed improvements, for the purpose of creating a fund to pay the cost of organizing the district and the cost of all surveys, investigations, engineering, issuance of bonds, making and filing of maps and reports, legal expenses, and all other costs and expenses authorized or made necessary by the provisions of this chapter. The board shall sell the notes or exchange them in payment of the costs and expenses.

(b) The notes shall be secured by the levy, assessment, and collection of taxes as provided for payment of bonds. The notes shall be paid out of the proceeds of the district's bonds when they are issued and sold. If the bond election fails to carry, then the notes shall be paid out of the tax revenue.

Acts 1971, 62nd Leg., p. 431, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.039. RECORDATION OF ORDER. (a) After the commissioners court makes and enters in its minutes the order creating the district or an order changing the name of a district,

the court shall file a certified copy of the order accompanied by a plat defining the district boundaries with the county clerk.

(b) The county clerk shall have the certified copy of the order and the plat recorded and indexed in the deed records of the county.

(c) Recordation of the order and plat has the same effect, as to notice, as the recordation of a deed.

(d) The district shall pay the cost of making and recording the certified copy of the order and the plat.

Acts 1971, 62nd Leg., p. 432, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1991, 72nd Leg., ch. 187, Sec. 5, eff. Sept. 1, 1991.

Sec. 55.040. MULTI-COUNTY DISTRICT: PETITION. Creation of a district composed of land in two or more counties may be initiated by presenting a petition to the commission signed by the owners of more than half the land in the proposed district or by 50 qualified property taxpaying electors of the territory of the proposed district. The petition shall describe the boundaries of the proposed district and request an order on the advisability of creating the district and an order for an election.

Acts 1971, 62nd Leg., p. 432, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1981, 67th Leg., p. 961, ch. 367, Sec. 1, eff. June 10, 1981; Acts 1997, 75th Leg., ch. 1070, Sec. 34, eff. Sept. 1, 1997.

Sec. 55.042. MULTI-COUNTY DISTRICT: HEARING. If the commission determines that a hearing is necessary under Section [49.011](#), the commission shall conduct a hearing and any person whose land would be affected by creation of the district may appear and support or oppose creation of the proposed district, and may offer competent testimony to show that the district would or would not serve a beneficial purpose, be practicable, or accomplish the purposes intended.

Acts 1971, 62nd Leg., p. 432, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1997, 75th Leg., ch. 1070, Sec. 35, eff. Sept. 1, 1997.

Sec. 55.043. MULTI-COUNTY DISTRICT: FINDINGS. (a) If the commission finds that the plan of water conservation, irrigation, and use presented in the petition is practicable and would be a public utility, the commission shall enter the findings in its records and shall send a certified copy of the findings to the commissioners court in each county in which part of the proposed district is located. The commission shall also inform each commissioners court of a date set by the commission on which an election shall be held in the area of the proposed district to determine whether the district will be created and to elect five directors for the district.

(b) If the commission finds that creation of the district is not practicable, that it would not serve a beneficial purpose, and that it would not be possible to accomplish through its creation the purposes proposed, the commission shall enter its findings in its records and shall dismiss the petition.

Acts 1971, 62nd Leg., p. 432, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.044. MULTI-COUNTY DISTRICT: NOTICE OF ELECTION. On receiving a certified copy of the findings of the commission authorizing the election, the commissioners court of each county shall have notices of the election posted, in the manner provided for an election to create a single-county district, for not less than 15 nor more than 30 days before the date of the election.

Acts 1971, 62nd Leg., p. 432, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.045. MULTI-COUNTY DISTRICT: RULES GOVERNING ELECTION. Except as provided by the succeeding sections, the election shall be held, the returns made and canvassed, and the results declared, as provided in the case of a single-county district.

Acts 1971, 62nd Leg., p. 433, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.046. MULTI-COUNTY DISTRICT: ELECTION RETURNS, CANVASS, RESULT. (a) The commission shall designate the county judge of one of the counties in the proposed district to act as a

canvassing board to receive and canvass the votes cast and to declare the result of the election.

(b) In each county, the officers appointed by the commissioners court to hold the election shall return the results to the commissioners court and shall return all ballot boxes to the county clerk.

(c) On receiving the returns of the election, the commissioners court shall canvass the returns and certify the result of the election in the county to the county judge appointed to act as canvassing board.

(d) When the county judge receives the returns from all the counties, he shall canvass the returns and certify the result of the election to the commissioners court of each county, which shall enter the result of the election in its permanent records.

(e) If the proposition to create the district is carried, the county judge acting as the canvassing board shall make and transmit to each commissioners court an appropriate order declaring that the district is created and describing its boundaries. He shall also issue certificates of election to the persons elected as directors, who shall proceed with the organization of the district as otherwise provided by this chapter.

Acts 1971, 62nd Leg., p. 433, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.047. EXCLUSION OF CITY, UNINCORPORATED AREA, OR COUNTY VOTING AGAINST DISTRICT. (a) As used in this section:

(1) "city" includes town or other municipal corporation; and

(2) "unincorporated area" means an area not included within the boundaries of a city.

(b) Each city included within the boundaries of the proposed district shall be treated as a separate voting unit, and the votes cast in the city shall be counted and canvassed to show the result of the election in the city. No city shall be included in the district unless the majority of the votes cast in the city favor creation of the district.

(c) If the proposed district includes both incorporated and unincorporated areas in a county, the unincorporated area shall not

be included in the district unless the majority of the votes cast in the unincorporated area favor creation of the district.

(d) No district, the major portion of which is in one county, shall be organized to include land in another county unless the majority of the votes cast in the other county favor creation of the district.

(e) If any portion of a proposed district, under the provisions of this section, votes against creation of the district, and the remaining area of the proposed district votes for the district, then the proposition shall be adopted and the district confirmed except as to the territory voting against the district.

(f) All property in the territory of the district as originally proposed is subject to taxation for the payment of all debts and obligations, including organization expenses, incurred while part of the district.

(g) If at least 10 percent of the qualified electors of the area remaining in the district file a petition with the board of directors requesting a new election on creation of the district, then a new election shall be ordered and held for the remaining area, or the district organization may be dissolved by order of the board of directors and a new district formed.

Acts 1971, 62nd Leg., p. 433, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.048. NAME OF DISTRICT. (a) The name of a district wholly within one county shall include the name of the county and a number. Districts wholly within one county shall be numbered consecutively as created, and no two districts may have the same number.

(b) The name of a district with territory in two or more counties may include the names of those counties, or the district may adopt any appropriate name. The name may include a number, but the number may not be the same as the number of a district in any of the counties. The number of a district created in any county may not be the same as the number of a district with territory in that county and other counties.

Acts 1971, 62nd Leg., p. 434, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.049. SURVEY OF DISTRICT BOUNDARIES. Immediately after the directors are qualified, the board shall order a survey of the boundaries of the district to be made according to the boundaries designated in the petition for creation of the district, or the board shall adopt, in whole or in part, the boundaries already established, and order the boundaries marked by suitable monuments.

Acts 1971, 62nd Leg., p. 434, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.050. CHAPTER APPLICABLE TO IRRIGATION DISTRICTS. Irrigation districts created under the laws of 1905, 1913, and 1915 (Chapter 50, Acts of the 29th Legislature, 1905; Chapter 172, Acts of the 33rd Legislature, 1913; and Chapter 138, Acts of the 34th Legislature, 1915), are governed by the provisions of this chapter. Acts 1971, 62nd Leg., p. 434, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.051. CHANGE OF DISTRICT NAME. (a) An irrigation district created under the law of 1905, 1913, or 1915 (Chapter 50, Acts of the 29th Legislature, 1905; Chapter 172, Acts of the 33rd Legislature, 1913; and Chapter 138, Acts of the 34th Legislature, 1915), may change the name of the district to the name provided in this chapter by filing a declaration to change the name with the commissioners court of the county in which the district is located.

(b) The declaration to change the district's name shall be in the form of a deed of conveyance and shall be acknowledged by the president and secretary of the board. It shall include a copy of the minutes of the board and the resolution adopted to change the name.

(c) After the declaration is recorded, the name of the district shall be changed.

Acts 1971, 62nd Leg., p. 434, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.053. CONVERSION OF ARTICLE III, SECTION 52 DISTRICT TO ARTICLE XVI, SECTION 59 DISTRICT. (a) A water improvement district created subject to the limitations of Article III, Section 52, of the Texas Constitution, may be converted into a water improvement district operating under the authority of Article XVI,

Section 59, of the Texas Constitution, as provided by this section.

(b) On the petition of 20 percent of the owners of land in the district, the board of directors shall order an election to determine whether the district shall be converted to a district operating under Article XVI, Section 59, of the Texas Constitution. The election shall be conducted under the rules applicable to general elections in the district. The ballots shall be printed to provide for voting for or against: "Conservation and Reclamation."

(c) The board shall canvass the returns, make an order declaring the result of the election, and have the order recorded in the deed records of the county or counties in which the district is located. If the result of the election is affirmative, the district begins operating under Article XVI, Section 59, of the Texas Constitution, without change of name or impairment of its obligations, when the order is recorded.

Acts 1971, 62nd Leg., p. 435, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER C. ADMINISTRATIVE PROVISIONS

Sec. 55.101. BOARD OF DIRECTORS. The governing body of a district is a board of five directors.

Acts 1971, 62nd Leg., p. 435, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1995, 74th Leg., ch. 715, Sec. 24, eff. Sept. 1, 1995.

Sec. 55.102. QUALIFICATIONS OF DIRECTORS. To be qualified for election as a director, a person must be a resident of the state, own land subject to taxation in the district, and be at least 18 years of age at the time of the election. Section 49.052 does not apply to a district governed by this chapter whose principal purpose is providing water for irrigation.

Acts 1971, 62nd Leg., p. 435, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1995, 74th Leg., ch. 715, Sec. 25, eff. Sept. 1, 1995.

Sec. 55.103. APPLICATION TO GET ON BALLOT. (a) A person qualified to serve as a director may file an application with the

secretary to have the applicant's name printed on the election ballots. The application must be signed by the applicant or by at least 10 qualified electors of the district and must be filed not later than 5 p.m. of the 45th day before the date of the election.

(b) Only persons for whom applications are filed under this section may have their names printed on the ballots. However, nothing in this section prevents write-in votes.

Acts 1971, 62nd Leg., p. 435, ch. 58, Sec. 1, eff. Aug. 30, 1971. Amended by Acts 1989, 71st Leg., ch. 1009, Sec. 3, eff. Sept. 1, 1989.

Sec. 55.107. OPTIONAL CONVERSION TO STAGGERED TERMS. (a) The board, by resolution adopted before December 1 of any year on the vote of at least four directors, may adopt the system of staggered two-year terms of office as provided by this section.

(b) On the first available election date as provided by Article 2.01b of Vernon's Texas Election Code in the first even-numbered year immediately succeeding adoption of the resolution, five directors shall be elected. Of the five elected, the two receiving the fewest votes shall serve for two years and the other three shall serve for four years. However, if the vote is such that two of them do not receive fewer votes than the other three, then the directors shall determine by lot which two will serve two years and which three will serve four years.

(c) After the election provided for in Subsection (b) of this section, on the same date in each following even-numbered year there shall be an election to elect successors for the directors whose terms expire, to hold office for terms of four years.

Acts 1971, 62nd Leg., p. 436, ch. 58, Sec. 1, eff. Aug. 30, 1971. Amended by Acts 1981, 67th Leg., p. 981, ch. 367, Sec. 25, eff. June 10, 1981; Acts 1983, 68th Leg., p. 5215, ch. 951, Sec. 8, eff. Jan. 1, 1984.

Sec. 55.108. APPOINTMENT OF DIRECTORS IN CERTAIN DISTRICTS.

(a) If the petition to create a district proposes a district which would contain no more than 12,000 acres of land, and if at least 60 percent of the land is owned by persons who do not reside in the

district, the petition may request that the directors be appointed by the commissioners court. If so, the directors shall be appointed instead of elected. The commissioners court shall appoint the directors at the time otherwise fixed for electing directors, or if the court is not in session at that time, it shall appoint the directors as soon as possible.

(b) The owners of land in the district may file petitions with the commissioners court expressing their choice of persons to be selected as directors. If the owners of at least 60 percent of the land agree on the persons to be appointed, the commissioners court shall appoint those persons. Otherwise, the court shall appoint suitable, qualified persons as directors.

Acts 1971, 62nd Leg., p. 436, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.110. ADDITIONAL BONDS. (a) If a district is appointed fiscal agent of the United States or is authorized to collect money for and in behalf of the United States in connection with any federal reclamation project, the assessor and collector and each director shall execute an additional bond in an amount set by the secretary of the interior, conditioned on the faithful performance of the duties of his office and the faithful performance by the district of its duties as fiscal or other agent of the United States.

(b) The additional bonds shall be approved, recorded, and filed as provided for other official bonds. The additional bonds may be sued on by the United States or by any person injured by failure of the officer or the district to perform fully, promptly, and completely the required duties.

Acts 1971, 62nd Leg., p. 437, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 55.161. PURPOSES OF DISTRICT. (a) A water improvement district may provide for irrigation of the land within its boundaries.

(b) A district operating under Article XVI, Section 59, of the Texas Constitution, may furnish water for domestic, power, and

commercial purposes.

(c) A district may be formed to cooperate with the United States under the federal reclamation laws for the purpose of:

(1) construction of irrigation and drainage facilities necessary to maintain the irrigability of the land;

(2) purchase, extension, operation, or maintenance of constructed facilities; or

(3) assumption, as principal or guarantor, of indebtedness to the United States on account of district lands.

Acts 1971, 62nd Leg., p. 440, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.163. IMPROVEMENTS: PURCHASE OR CONSTRUCTION. A district may purchase or construct improvements and facilities necessary for irrigation of land in the district, and if operating under Article XVI, Section 59, of the Texas Constitution, improvements and facilities necessary to supply, deliver, and sell water for domestic, power, and commercial purposes.

Acts 1971, 62nd Leg., p. 441, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.165. DRAINAGE DITCHES: LEVEES. The board may include in the plans of the district the necessary drainage ditches, or other facilities for drainage, and levees for the protection of land in the district. The district may purchase all or part of any system belonging to a drainage district. However, the purchase contract shall provide for paying or assuming the debts of the drainage district, and the amount of the debts paid or assumed shall be considered in determining the bond-issuing capacity of the district.

Acts 1971, 62nd Leg., p. 441, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.166. CONSTRUCTING BRIDGES AND CULVERTS ACROSS AND OVER COUNTY AND PUBLIC ROADS. The district shall build necessary bridges and culverts across and over district canals, laterals, and ditches which cross county or public roads. Funds of the district shall be used to construct the bridges and culverts.

Acts 1971, 62nd Leg., p. 441, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.167. CONSTRUCTING CULVERTS AND BRIDGES ACROSS AND UNDER RAILROAD TRACKS AND ROADWAYS. (a) The district, at its own expense, may build necessary bridges and culverts across or under any railroad tracks or roadways to enable the district to construct and maintain any canal, lateral, or ditch which is a necessary part of its improvements.

(b) Before the district proceeds to build bridges and culverts, the board shall deliver to the legal agent, division superintendent, or roadmaster written notice. The railroad company shall have 30 days in which to build the bridges and culverts at its own expense and according to its own plans.

(c) The bridges and culverts shall be placed at points designated by the board or the district engineer and shall be constructed so that they will not interfere with the free and unobstructed flow of water passing through the canal or ditch.

Acts 1971, 62nd Leg., p. 441, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.185. CONTRACT WITH THE UNITED STATES. The board may enter into a contract or other obligation with the United States for the following purposes:

(1) to construct, operate, and maintain necessary facilities to deliver and distribute water;

(2) to drain district land;

(3) to assume debt for district land;

(4) to rent temporarily United States water for use on district land under the federal reclamation laws; or

(5) to furnish a water supply to the district under any act of Congress which authorizes it.

Acts 1971, 62nd Leg., p. 445, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.186. PAYMENTS MADE BY A DISTRICT UNDER A CONTRACT WITH THE UNITED STATES. (a) If a district enters into a contract with the United States, the district may deposit with the United States district bonds at 90 percent of par value to pay the amount owed by the district under the contract. The district shall pay interest on the bonds in the same manner that other bonds of the district are paid. Interest shall be paid regularly to the United

States and applied in the manner provided in the contract.

(b) If bonds are not deposited as provided in Subsection (a) of this section, the board shall include in any levy or assessment made by the district an amount sufficient to make annual payments under the terms of the contract.

Acts 1971, 62nd Leg., p. 445, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.187. DISTRICT AS FISCAL AGENT FOR UNITED STATES. The board may accept on behalf of the district appointment as the fiscal agent for the United States on any federal reclamation project. As fiscal agent, the district may assume the duties and perform the acts incident to this capacity and shall do anything required by federal statutes and rules and regulations established by any department of the federal government.

Acts 1971, 62nd Leg., p. 445, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.188. CONVEYING PROPERTY TO THE UNITED STATES. If the district enters into a contract with the United States, the board may convey to the United States any property which is necessary for constructing, operating, and maintaining improvements for the benefit of the district.

Acts 1971, 62nd Leg., p. 445, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.192. ACQUIRING WATER RIGHTS. Any district may acquire water rights in the manner provided by law.

Acts 1971, 62nd Leg., p. 446, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.193. SELLING WATER RIGHTS. (a) Any district which has a permit issued by the commission to construct a reservoir and to appropriate water from a stream or watershed for irrigation or other purposes may convey to another district an interest in the reservoir or water rights.

(b) The conveyance shall be recorded in the office of the county clerk of the county in which the property is located and in the office of the executive director.

(c) The conveyance, when filed, shall convey all rights in the interest conveyed which were held under the permit by the

district conveying the interest.

(d) After the conveyance is filed in the office of the executive director, the rights conveyed vest in the district to which the conveyance was made as if the rights were granted directly by the commission.

Acts 1971, 62nd Leg., p. 446, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1981, 67th Leg., p. 961, ch. 367, Sec. 1, eff. June 10, 1981.

Sec. 55.194. TRANSFER OF WATER RIGHT. If there is land in a district which has a water right from a source of supply acquired by the district but the land is difficult or impracticable to irrigate from that source of supply, the district may allow transfer of the water right to other land which is adjacent to the district. The adjacent land may be admitted to the district with the same right of water service as other land already in the district.

Acts 1971, 62nd Leg., p. 446, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.195. SUPPLYING WATER TO CITIES OUTSIDE THE DISTRICT. When a district acquires an established irrigation system which supplies water to landowners in a city, town, or village which is not included in the district, the district shall continue to supply water to the landowners at a reasonable annual rate.

Acts 1971, 62nd Leg., p. 447, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.196. SELLING WATERPOWER PRIVILEGES. The district may enter into a contract to sell waterpower privileges if power can be generated from water flowing from the district's reservoirs and irrigation system. The sale of waterpower privileges may not interfere with the district's obligation to furnish an adequate supply of water for irrigation and for municipal purposes in districts which furnish water for municipal purposes.

Acts 1971, 62nd Leg., p. 447, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.197. SELLING SURPLUS WATER. The district may sell to any person who owns or uses land in the vicinity of the district

any surplus district water for use in irrigation or for domestic or commercial uses.

Acts 1971, 62nd Leg., p. 447, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.198. PUMPING AND DELIVERING WATER TO LAND NEAR DISTRICT. The district may enter into a contract with a person who owns or uses land in the vicinity of the district and who has a permit from the commission to appropriate water for use in irrigation or for domestic or commercial uses to pump or deliver the water to the person's land.

Acts 1971, 62nd Leg., p. 447, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1981, 67th Leg., p. 961, ch. 367, Sec. 1, eff. June 10, 1981.

Sec. 55.200. SALE OF LAND ACQUIRED BY A DISTRICT FOR OTHER THAN DISTRICT PURPOSES. The district may sell to the highest bidder at a public sale any land acquired by the district through foreclosure of liens for maintenance and operation assessments or acquired by the district for any purpose other than carrying out its plans. The board may use proceeds from the sale for making improvements in the district, for maintenance and operation of the district's system, or for carrying on district business.

Acts 1971, 62nd Leg., p. 447, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.201. USE OF EXCESS DISTRICT MONEY. After all district improvements are completed and all expenses are paid, the board may use any remaining money to preserve, maintain, and repair district improvements.

Acts 1971, 62nd Leg., p. 448, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.202. BOARD'S SEMIANNUAL REPORT. On the first day of January and July of each year, the board shall make and verify a report which shows in detail the kind, character, and amount of improvements constructed in the district, the cost of the improvements, the amount of each warrant paid, the person to whom each warrant was paid, the purpose for which each warrant was paid, and other data necessary to show the condition of improvements

made. The report shall be filed with the county clerk in the county or counties in which the district is located and made available for public inspection.

Acts 1971, 62nd Leg., p. 448, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.204. WAIVER OF DISTRICT TORT IMMUNITY. If the board finds that it is in the best interest of the district and that it is necessary to enable the district to enter into a contract to employ Mexican laborers, it may enter into a written contract to waive in advance the district's immunity from liability in damages for personal injuries and sickness which is proximately caused by torts of the district or negligence of agents or employees of the district and which is suffered by Mexican laborers employed by the district under the terms of the Migrant Labor Agreement of 1951 between the United States and Mexico or any subsequent agreement of a similar nature.

Acts 1971, 62nd Leg., p. 448, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER E. REGULATORY POWERS

Sec. 55.241. PURPOSE. The powers granted to the district and its board under this subchapter are for the purpose of helping the district to maintain the purity of district water, to protect the preservation and use of the water, to protect the lives of persons who desire to go on, over, or across the water, and to insure the safety of persons using the water.

Acts 1971, 62nd Leg., p. 448, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.242. RULES AND REGULATIONS. The board may make and adopt reasonable rules and regulations which are necessary

(1) to preserve the sanitary condition of water controlled by the district;

(2) to prevent waste or unauthorized use of water; and

(3) to regulate residence, boating, camping, and recreational and business privileges on any land or water owned or controlled by the district.

Acts 1971, 62nd Leg., p. 449, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.243. NOTICE OF RULES AND REGULATIONS. (a) Before a rule or regulation providing for a penalty may be effective, the district must publish a substantial statement of the rule or regulation and the penalty in one or more newspapers with general circulation in the district once a week for two consecutive weeks.

(b) The published statement shall be as condensed as possible so that the object to be accomplished or the act which is forbidden by the rule or regulation can be easily understood.

(c) The publication of notice may include notice of any number of rules and regulations.

(d) The notice shall include a statement that the violation of a rule or regulation will subject the person who violates it to a penalty and that a complete copy of the rule or regulation is on file in the principal office of the district and may be inspected.

(e) A rule or regulation shall be effective five days after the second publication of the notice, and ignorance of the rule or regulation does not constitute a defense to prosecution for enforcement of the penalty.

Acts 1971, 62nd Leg., p. 449, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.244. JUDICIAL NOTICE OF RULES AND REGULATIONS. The courts shall take judicial notice of rules and regulations made and adopted under this subchapter. The rules and regulations shall be considered to be similar in nature to valid penal ordinances of a city.

Acts 1971, 62nd Leg., p. 449, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.245. CONTRACTS FOR TOLL BRIDGES AND FERRY SERVICES.

(a) The board has the exclusive right to enter into a contract with any responsible person to construct and operate toll bridges over water regulated by the district or to provide ferry service or other means of passenger transportation on water regulated by the district.

(b) A contract for construction and operation of a toll bridge may not extend for a period of more than 20 years and a contract providing for ferry service or other types of

transportation may not extend for a period of more than 10 years.

(c) The contract may provide for forfeiture of the franchise or rights granted for failure of the licensee or other contracting party to render adequate and safe public service.

Acts 1971, 62nd Leg., p. 449, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.246. BOND. The board shall require any person with whom it enters into a contract under Section 55.245 of this code to execute an adequate bond in an amount not to exceed \$1,000, payable to the district and conditioned as the board requires.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.247. LICENSE, FRANCHISE, AND FEE. (a) Before a person may keep or operate for hire on district water a ferry or other type of transportation, the person must obtain a license or franchise from the board.

(b) The board may fix the fee to be charged for the license or franchise in an amount not to exceed \$250 a year, and shall fix the fee according to the type of boat used.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.248. CHARGES FOR USE OF TOLL BRIDGE FACILITIES AND FERRY SERVICE. The board may fix a reasonable amount of compensation to be charged by the owner or operator of a toll bridge or a ferry service or other type of transportation service for use of the facilities.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.249. REGULATING BOATS. (a) The district may prescribe the type of boats to be used on district water to carry persons for hire and for recreational purposes and may require the owner of a boat to submit the boat at a reasonable time to inspection to determine if the boat is serviceable.

(b) In an effort to protect the lives of the occupants of boats and persons using district water, the district may prescribe reasonable requirements for the use and manner in which they are used.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.250. RESPONSIBILITIES OF BOAT OWNERS AND OPERATORS.

(a) The owner or operator of a boat used as a ferry or other type of transportation shall keep the boat and boat landings in good and safe condition.

(b) The district is not liable for any negligent act or failure of duty on the part of the owner or operator of the boat.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.251. PEACE OFFICERS. The district may employ and constitute its own peace officers. The peace officers may make arrests when necessary to prevent or abate the commission of an offense against the regulations of the district or state laws if the offense occurs or is about to occur on land or water owned or controlled by the district. Arrests also may be made any place where an offense is being committed which involves injury or detriment to any property owned or controlled by the district.

Acts 1971, 62nd Leg., p. 450, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.253. INJUNCTION. In addition to the penalties provided by this subchapter, the district may seek an injunction in a court of competent jurisdiction in the county in which district water is located to enforce the provisions of this subchapter and rules and regulations of the district.

Acts 1971, 62nd Leg., p. 451, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER G. DISTRICT SURVEY

Sec. 55.332. DUTIES OF THE ENGINEER. The engineer shall make a complete survey of the land included in the district and make a map and profile of the canals, laterals, reservoirs, dams, and pumping sites located in the district and extending beyond the limits of the district.

Acts 1971, 62nd Leg., p. 453, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.333. MAPS. (a) The map shall show the name and

number of each survey and the area in the district in number of acres.

(b) The map shall show the relation that each canal and lateral bears to each tract of land through which it passes and the shapes into which it divides each tract. If the canal or lateral cuts off any less than 20 acres from any tract, the map shall show the number of acres in the whole tract and the shape of the small tract and its relationship to the canal or lateral.

(c) The map shall show how much and what part of each tract can be irrigated by the canal or lateral.

(d) The profile map shall also show in detail the number of cubic yards which need to be excavated or moved to make the reservoir, canal, or lateral, and the specifications for other works necessary to the construction of improvements proposed for the district, and the estimated cost of each.

Acts 1971, 62nd Leg., p. 453, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.334. ADOPTING OLD SURVEYS. (a) The engineer may adopt any surveys made in the past by any person who has applied for or appropriated any water for irrigation under state law.

(b) The engineer also may adopt any surveys for canals, laterals, reservoirs, dams, or pumping sites shown on these maps or plats or may adopt other maps, plats, and surveys which he is satisfied are correct.

Acts 1971, 62nd Leg., p. 454, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.335. ADDITIONAL IMPROVEMENTS. If additional improvements of canals, ditches, laterals, reservoirs, or pumping plants are to be constructed, the report shall contain the detailed information with reference to these additional improvements.

Acts 1971, 62nd Leg., p. 454, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.336. EXISTING IMPROVEMENTS. If the district contains any pumping plants, canals, dams, ditches, or reservoirs which the district is planning to acquire or purchase, the map or plat and the estimates required in this subchapter shall show these improvements and the price or probable price at which they may be

acquired or purchased.

Acts 1971, 62nd Leg., p. 454, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.337. SIGNING AND FILING ENGINEER'S REPORT, MAP, AND PROFILE. After the map, profile, specifications, and estimates are completed, the engineer shall sign them and file them with the secretary of the board.

Acts 1971, 62nd Leg., p. 454, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.338. MAPS AND DATA UNNECESSARY UNDER CONTRACT WITH UNITED STATES. None of the maps and data prescribed by this subchapter are required under a contract with the United States except for maps and data needed to make assessments and levies.

Acts 1971, 62nd Leg., p. 454, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER H. WATER ASSESSMENTS

Sec. 55.351. STATEMENT ESTIMATING WATER REQUIREMENTS AND PAYMENT OF CHARGE. (a) If required by the board, each person desiring to receive irrigation water at any time during the year shall furnish the secretary of the board a written statement of the acreage the person intends to irrigate and the different crops the person intends to plant with the acreage of each crop.

(b) At the time the acreage estimate is furnished to the secretary, each person applying for water shall pay the portion of the water charge or assessment set by the board for immediate payment.

(c) If a person applying for water from the district does not furnish the statement of estimated acreage or does not pay the part of the water charge or assessment set by the board before the date for fixing the assessment, the district is not obligated to furnish water to that person during that year.

Acts 1971, 62nd Leg., p. 455, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. [611](#)), Sec. 15, eff. September 1, 2013.

Sec. 55.352. BOARD'S ESTIMATE OF MAINTENANCE AND OPERATING EXPENSES. The board, on or as soon as practicable after a date fixed by standing order of the board, shall estimate the expenses of maintaining and operating the district's water delivery system for the next 12 months. The board may change the 12-month period for which it estimates the expenses of maintaining and operating the water delivery system by estimating such expenses for a shorter period so as to adjust to a new fixed date and thereafter estimating the expenses for 12-month periods following the adjusted fixed date.

Acts 1971, 62nd Leg., p. 455, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1997, 75th Leg., ch. 789, Sec. 2, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. [611](#)), Sec. 16, eff. September 1, 2013.

Sec. 55.353. METHODS FOR DETERMINING MAINTENANCE AND OPERATING EXPENSES. The board may make assessments for maintenance and operating expenses as provided in this subchapter on the basis of the quantity of water used.

Acts 1971, 62nd Leg., p. 455, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.354. DISTRIBUTION OF ASSESSMENT. (a) The board by order shall allocate a portion of the estimated maintenance and operating expenses that shall be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. This assessment shall be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated.

(b) The board shall determine from year to year the proportionate amount of the expenses which will be borne by all water users receiving water delivery from the district.

(c) The remainder of the estimated expenses shall be paid by assessments, charges, fees, rentals, or deposits required of persons in the district who use or who make application to use water

and other charges approved by the board. The board shall prorate the remainder among the applicants for irrigation water and may consider:

(1) the acreage each applicant will plant, the crop the applicant will grow, and the amount of water per acre used for irrigation purposes; and

(2) other factors deemed appropriate by the board with respect to water used for other nonirrigation uses.

(d) All persons using irrigation water to plant the same crop will pay the same price per acre for the water.

(e) A landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or a part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit may file a petition under Section 11.041. That petition filed with the commission is the sole remedy available to a landowner or user of water described by this subsection.

Acts 1971, 62nd Leg., p. 455, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 17, eff. September 1, 2013.

Sec. 55.355. NOTICE OF ASSESSMENTS. (a) Public notice of all assessments imposed under Section 55.354(a) shall be given by posting printed notice of the assessment in at least one public place in the district.

(b) Not later than the fifth day before the date on which the assessment is due, notice shall be mailed to each landowner at the address which the landowner shall furnish to the board.

(c) Notice of special assessments shall be given within 10 days after the assessment is levied.

Acts 1971, 62nd Leg., p. 455, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 18, eff. September 1, 2013.

Sec. 55.356. PAYMENT OF ASSESSMENTS. (a) All assessments

imposed under Section 55.354(a) shall be paid in installments at the times fixed by the board.

(b) If a crop for which water was furnished by the district is harvested before the due date of any installment payment, the entire unpaid assessment becomes due at once and shall be paid within 10 days after the crop is harvested and before the crop is removed from the county or counties in which it was grown.

Acts 1971, 62nd Leg., p. 456, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 19, eff. September 1, 2013.

Sec. 55.357. COLLECTION OF ASSESSMENTS BY TAX ASSESSOR AND COLLECTOR. (a) Under the direction of the board, the assessor and collector of taxes, or other person designated by the board, shall collect all assessments imposed under Section 55.354(a) for maintenance and operating expenses made under the provisions of this subchapter.

(b) The assessor and collector of taxes shall give bond in an amount determined by the board, conditioned upon the faithful performance of the duties of the assessor and collector and accounting for all money collected.

(c) The assessor and collector of taxes shall keep an account of all money collected and shall deposit the money as collected in the district depository. The assessor and collector shall file with the secretary of the board a statement of all money collected once each month.

(d) The assessor and collector shall use duplicate receipt books, give a receipt for each collection made, and retain in the book a copy of each receipt, which shall be kept as a record of the district.

Acts 1971, 62nd Leg., p. 456, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 20, eff. September 1, 2013.

Sec. 55.358. CONTRACTS WITH PERSON USING IRRIGATION WATER.

(a) The board may require each person who desires to use irrigation water during the year to enter into a contract with the district which states the acreage to be irrigated, the crops to be planted, the amount to be paid for the water, and the terms of payment.

(b) The contract is not a waiver of the lien given to the district under Section 55.359 against the crops of a person using irrigation water for the service furnished to the person.

(c) If a person irrigates more acreage than the person's contract specifies, the person shall pay for the additional service.

(d) The directors also may require a person using irrigation water to execute a negotiable note or notes for all or part of the amount owed under the contract.

Acts 1971, 62nd Leg., p. 456, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 21, eff. September 1, 2013.

Sec. 55.359. LIEN AGAINST CROPS. (a) The district shall have a first lien, superior to all other liens, against all crops grown on a tract of land in the district to secure the payment of an assessment imposed against the tract under Section 55.354(a), interest, and collection or attorney's fees.

(b) When the district obtains a water supply under contract with the United States, the board may, by resolution entered in their minutes and with the consent of the secretary of the interior, waive the lien in whole or in part.

(c) If the crops against which the district has a lien under this section are cultivated on a basis other than annual replanting, the owner of the crops shall record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.

Acts 1971, 62nd Leg., p. 456, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 22, eff.

September 1, 2013.

Sec. 55.360. LIST OF DELINQUENT ASSESSMENTS. Assessments imposed under Section 55.354(a) not paid when due shall become delinquent on the first day of the month following the date payment is due, and the board shall keep posted in a public place in the district a correct list of all delinquent assessments. If a person who owes an assessment has executed a note and contract as provided in Section 55.358, the person may not be placed on the delinquent list until after the maturity of the note and contract.

Acts 1971, 62nd Leg., p. 457, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1997, 75th Leg., ch. 789, Sec. 2, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 23, eff. September 1, 2013.

Sec. 55.361. WATER SERVICE DISCONTINUED. (a) If a landowner fails or refuses to pay any water assessment or a person fails to pay a charge, fee, rental, or deposit imposed under this chapter or Chapter 49 when due, the landowner's or person's water supply shall be cut off, and no water shall be furnished to the land until all back assessments or other amounts owed to the district are fully paid. The discontinuance of water service is binding on all persons who own or acquire any interest in land for which assessments or other amounts owed to the district are due.

(b) A landowner or person whose water service has been discontinued under Subsection (a) may request that the board reconsider the discontinuance related to a charge, fee, rental, deposit, or penalty, and may not request that the board reconsider a discontinuance related to an assessment. If the board declines to reconsider the discontinuance, the landowner or person may file a petition under Section 11.041. That petition filed with the commission is the sole remedy available to a landowner or person described by this subsection.

Acts 1971, 62nd Leg., p. 457, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 24, eff. September 1, 2013.

Sec. 55.362. SUITS FOR DELINQUENT ASSESSMENTS. Suits for delinquent water assessments or other amounts owed to the district under this subchapter may be brought either in the county in which the irrigation district is located or in the county in which the defendant resides. All landowners are personally liable for all assessments imposed under Section 55.354(a).

Acts 1971, 62nd Leg., p. 457, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 25, eff. September 1, 2013.

Sec. 55.363. INTEREST AND COLLECTION FEES. (a) All assessments imposed under Section 55.354(a) shall bear interest from the date payment is due at the rate of 15 percent a year. Assessments not paid by the first day of the month following the date payment is due are delinquent, and a penalty of up to 15 percent of the amount of the past-due assessment shall be added to the amount due.

(b) If suit is filed to foreclose a lien on crops or if a delinquent assessment is collected by an attorney before or after suit, an additional amount of 15 percent on the unpaid assessment, penalty, and interest shall be added as collection or attorney's fees.

Acts 1971, 62nd Leg., p. 457, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1997, 75th Leg., ch. 789, Sec. 2, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 90 (S.B. 611), Sec. 26, eff. September 1, 2013.

Sec. 55.364. RIGHTS OF THE UNITED STATES. If the board enters into a contract with the United States, the remedies in this subchapter available to the district also shall apply to enforce payment of charges due to the United States. The Reclamation

Extension Act, approved August 13, 1914, and as amended, and all other federal reclamation laws apply. The directors shall distribute and apportion all water acquired by the district under a contract with the United States in accordance with acts of Congress, rules and regulations of the secretary of the interior, and provisions of the contract.

Acts 1971, 62nd Leg., p. 457, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.365. SURPLUS ASSESSMENTS. If assessments made under this subchapter are more than sufficient to pay the necessary expenses of the district, the balance shall be carried over to the next year.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.366. INSUFFICIENT ASSESSMENTS. If the assessments made under this subchapter are not sufficient to pay the necessary expenses of the district, the unpaid balance shall be assessed, pro rata, in accordance with the assessments made for the current year. The additional assessments shall be paid under the same conditions and penalties within 30 days from the date of assessment.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.367. LAND NOT SUBJECT TO ASSESSMENTS. If a district fails to furnish sufficient water to irrigate land in the district for two years after its organization, the nonirrigated land is relieved of all assessments and charges except taxes until the district constructs the necessary canals and furnishes the necessary water to irrigate the land.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.368. LOANS FOR MAINTENANCE AND OPERATING EXPENSES. The board may borrow money to pay maintenance and operating expenses at an interest rate of not more than 10 percent a year and may pledge as security any of its notes or contracts with water users or accounts against them.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.369. FIXED CHARGES FOR MAINTENANCE EXPENSES. If maintenance charges are based on the quantity of water used, a fixed charge may be made on all land or water connections entitled to receive and use water. An additional charge may be made, or a graduated scale adopted, for the use of more water than that covered by the minimum charge. The board may install proper measuring devices.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.370. CHARGE TO CITIES AND TOWNS. If a district includes a city or town or contracts with a city or town to supply water to it, the charge for the use of water and the time and manner of payment shall be determined by a standing order of the board.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.371. AUTHORITY TO DETERMINE RULES AND REGULATIONS. The directors may adopt, alter, and rescind rules, regulations, and standing and temporary orders which do not conflict with the provisions of this chapter and which govern:

- (1) methods, terms and conditions of water service;
- (2) applications for water;
- (3) assessments for maintenance and operation;
- (4) payment and the enforcement of payment of the assessments;
- (5) furnishing of water to persons who did not apply for it before the date of assessment; and
- (6) furnishing of water to persons who wish to take water for irrigation in excess of their original applications or for use on land not covered by their original applications.

Acts 1971, 62nd Leg., p. 458, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER I. SUPPLYING WATER TO MILITARY CAMPS

Sec. 55.401. AUTHORITY OF DISTRICTS WITH MILITARY BASE TO ISSUE BONDS. Any district operating under Article XVI, Section 59, of the Texas Constitution, which contains all or part of a United States military camp or base may issue negotiable revenue bonds to

provide funds for acquiring or constructing filtration and pumping equipment, pipelines, and other facilities for supplying water to military camps or bases.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.402. BOND ELECTION. The district may issue negotiable revenue bonds with a total par value of not more than \$100,000 without the necessity of holding an election, but it may not issue bonds with a total par value of more than \$100,000 unless the bond issue is approved at an election held under the law governing bond elections.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.403. INTEREST RATE AND MATURITY DATE. Bonds issued under this subchapter shall mature not more than five years after the date of issuance.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.404. SECURITY FOR BONDS. (a) Bonds issued under this subchapter may be secured by all or part of the net revenue to be received from a contract for the sale of water by the district to the United States for use at military camps or bases and from all renewals, extensions, or substitutions of the contract.

(b) In addition, the bonds may be secured by a deed of trust lien on the equipment, facilities, and property acquired or constructed with the funds from the sale of the bonds.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.405. APPROVAL; REGISTRATION. After bonds are authorized under this subchapter but before they are issued, the bonds, the resolution of the board authorizing the bonds to be issued, and other certificates and records relating to the issuance of the bonds shall be submitted to the Attorney General of Texas for his examination. The attorney general shall approve the bonds if they are issued in accordance with the provisions of this subchapter and the constitution, and the bonds shall be registered with the comptroller.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.406. VALIDITY OF BONDS. After bonds are approved by the attorney general and registered with the comptroller, they shall be held valid and binding in any action, suit, or proceeding in which their validity is questioned. In any action brought to enforce collection of the bonds, the certificate of approval by the attorney general, or a certified copy of the certificate, shall be admitted as evidence of the validity of the bonds. The only defense which can be offered against the validity of the bonds is forgery or fraud.

Acts 1971, 62nd Leg., p. 459, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.407. PAYMENT OF BONDS. The holder of bonds issued under the provisions of this subchapter is not entitled to payment of the bonds from funds derived from taxes levied on property in the district.

Acts 1971, 62nd Leg., p. 460, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.408. ADVERTISING FOR BIDS. A contract for constructing or acquiring filtration and pumping equipment, pipelines, or other facilities to supply water to military camps or bases may be awarded only after advertising for bids for a period of time to be determined by the board. The advertisement for bids shall be published in a newspaper of general circulation in the district at least one time not less than 10 days before awarding the contract.

Acts 1971, 62nd Leg., p. 460, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER J. GENERAL FISCAL PROVISIONS

Sec. 55.421. CONSTRUCTION AND MAINTENANCE FUND. The expenses, debts, and obligations incurred in creating, establishing, and maintaining the district shall be paid from the construction and maintenance fund. The construction and maintenance fund shall consist of money received by the district from the sale of bonds or from other sources provided by this

chapter.

Acts 1971, 62nd Leg., p. 460, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.422. MAINTENANCE AND OPERATING FUND. (a) The district shall create a maintenance and operating fund which shall consist of any money collected by assessment or other methods for the maintenance and operation of property owned by the district and for temporary rent owed to the United States.

(b) The district shall pay all operating expenses and any balance due on construction work, extensions, and improvements from the maintenance and operating fund with warrants executed in the manner provided in this chapter.

(c) If the district intends to enter into a contract with the United States for the construction of the irrigation system, the expenses, debts, and obligations may be paid from the maintenance and operating fund.

Acts 1971, 62nd Leg., p. 460, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER K. BORROWING MONEY

Sec. 55.452. ADOPTING METHOD FOR PAYMENT OF DEBTS. (a) When a district incurs a debt or obligation, it shall provide for payment of the debt or obligation by levying, assessing, and collecting either a general ad valorem tax or a tax on a benefit basis.

(b) Any district which has previously issued bonds or obligations payable on either basis may adopt a different basis of taxation in the creation of an additional debt or obligation.

(c) Each debt or obligation shall be paid in the manner provided at the time it was incurred.

Acts 1971, 62nd Leg., p. 462, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.454. INCURRING DEBT WITHOUT VOTER APPROVAL. None of the provisions of this subchapter shall prevent the board from creating any debt or obligation without voter approval if the debt or obligation is created to defray ordinary maintenance and operating expenses or if the debt or obligation is to be retired

from current revenues.

Acts 1971, 62nd Leg., p. 463, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.455. TAXES ON UNIFORM BASIS. (a) Any district which has the principal function of furnishing water for irrigation in the district may provide for the payment of principal and interest on any debts or obligations by levying taxes on land in the district on an equal or uniform basis with an equal charge per acre on each acre of land to be irrigated.

(b) The tax collector shall prepare a special tax roll showing each tract of land in the district, the number of acres in each tract, the total assessment of benefits on each tract, and the amount to be paid each year on each tract, and the roll shall be prepared or amended annually.

(c) The tax roll shall be examined, corrected, and approved by the board.

(d) The tax roll shall be prepared at the time and in the manner provided in the Property Tax Code. The valuation fixed on property shall be the assessment charge against each acre of land at the time the debt or obligation is incurred.

Acts 1971, 62nd Leg., p. 463, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1979, 66th Leg., p. 2321, ch. 841, Sec. 4(r), eff. Jan. 1, 1982.

Sec. 55.456. OBTAINING LOAN WHEN BONDS CANNOT BE SOLD. If the district has any bonds which were issued under the provisions of this code but which cannot, in the opinion of the board, be sold on terms which are advantageous to the district, the district may obtain a loan in an amount of not more than the amount of the unsold bonds. The money may be used for any of the purposes for which the bonds were issued, and the bonds may be pledged as a guarantee or assurance that the loan will be paid. The amount of bonds pledged may not exceed the amount of the loan by more than 15 percent.

Acts 1971, 62nd Leg., p. 463, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.457. USING REVENUE FROM SALE OF WATER, POWER, AND OTHER SERVICES TO PAY DEBTS. (a) The district may fix charges for

the use and sale of water, power, and other services to pay debts and to accomplish other lawful purposes of the district.

(b) The district may borrow money for any purpose in the manner provided in this subchapter and pledge for payment of these debts, income and revenue from the sale of water, power, and other services sufficient in amount to pay principal, interest, and other charges which may accrue.

Acts 1971, 62nd Leg., p. 463, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.458. LOAN FUND. (a) The board may pay or contract to pay on any bonds which it has sold or pledged, in addition to taxes, other funds derived from:

- (1) water charges for use of water in the district;
- (2) sale or supply of water to any city, town, municipal corporation, district, or land or user of water outside the boundaries of the district;
- (3) sale of water to any commercial or industrial enterprise;
- (4) sale of hydroelectric power; or
- (5) any or all of these sources of revenue.

(b) The board shall fix the amount to be derived from these sources for this purpose and shall enforce and collect it in the same manner provided to collect charges or assessments for maintenance and operation. All liens and remedies provided by law to secure and enforce the collection of charges and assessments for maintenance and operation of the district are applicable to securing and enforcing the collection of these funds.

(c) Money collected under this section shall be kept in a separate fund called the "loan fund" and shall be used only for the purpose of paying the principal and interest on the bonds for as long as the bonds remain unpaid.

(d) The charge created by this section is an additional and distinct charge and a source of income of the district over and above its income for maintenance and operation and other purposes.

(e) After the loan fund is created and pledged, the action of the board in fixing the amount of the charge and in fixing the total annual charges for maintenance and operation may not be

reviewed by the commission regardless of any law to the contrary.
Acts 1971, 62nd Leg., p. 464, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1981, 67th Leg., p. 982, ch. 367, Sec. 26, eff. June 10, 1981.

SUBCHAPTER L. ISSUANCE OF BONDS

Sec. 55.491. BOND ELECTION. After the district is created, the members of the board are qualified, the maps, profiles, specifications, and estimate are filed, and after the assessor and collector has made and returned the assessment roll, the board may order a bond election to be held in the district at the earliest possible legal time.

Acts 1971, 62nd Leg., p. 464, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.497. NECESSARY VOTE. (a) In a district operating under the authority of Article III, Section 52, of the Texas Constitution, a two-thirds vote of persons voting in the election is required to adopt a proposition to issue bonds or to enter into a contract with the United States.

(b) In a district operating under the authority of Article XVI, Section 59, of the Texas Constitution, a majority vote of persons voting in the election is required to adopt a proposition to issue bonds or to enter into a contract with the United States.

Acts 1971, 62nd Leg., p. 465, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.498. ORDERING ISSUANCE OF BONDS. After the vote is canvassed and a favorable result is declared, the board shall make and enter an order authorizing the issuance of bonds or the execution of a contract with the United States.

Acts 1971, 62nd Leg., p. 466, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.499. AMOUNT OF BONDS. The bonds shall be sufficient in amount to pay for the proposed improvements together with necessary incidental expenses connected with the improvements, but the amount shall not be more than the amount specified in the order and notice of election. The total amount of the bonds shall

include:

- (1) the amount of the engineer's estimate;
- (2) incidental expenses;
- (3) organization expenses; and
- (4) cost of additional work caused by any change or modification made by the directors.

Acts 1971, 62nd Leg., p. 466, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.500. LIMITATION OF INDEBTEDNESS. In districts organized under Article III, Section 52, of the Texas Constitution, the amount of bonds or the amount of the contract indebtedness with the United States may not be more than one-fourth of the actual assessed value of the real property in the district as shown by an assessment made for this purpose or by the last annual assessment made under this chapter. This limitation does not apply to districts operating under the authority of Article XVI, Section 59, of the Texas Constitution.

Acts 1971, 62nd Leg., p. 466, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.501. SPECIAL INTEREST PROCEDURE. (a) The maximum amount of bonds issued by a district may include a sufficient sum to pay the first one, two, or three years' interest to accrue on the bonds, and no taxes shall be levied against property located in the district for this period except for a sufficient tax to pay notes provided for in Section 55.038 of this code.

(b) The board may designate the period of interest to begin either with the date of the bonds fixed in the order which authorizes their issuance or from the date or dates of the actual sale, issuance, and delivery of the bonds or any installments.

(c) Any money left in the interest fund at the end of the designated period still may be used to pay interest on the bonds.

Acts 1971, 62nd Leg., p. 466, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.502. FORMAL REQUIREMENTS OF BONDS. (a) The board shall issue bonds in the name of the district, and the president shall sign the bonds, the secretary shall attest to them, and the district's seal shall be impressed on them.

(b) The bonds shall be issued in denominations of not less than \$100 nor more than \$1,000 each.

(c) The bonds shall be payable annually or semiannually and shall mature not more than 40 years after they are issued.

(d) The bonds may be issued to mature in serial form at any date which does not come later than the date specified in the notice of election and may bear any rate of interest which is not more than the rate of interest specified in the notice.

(e) The terms of the bonds shall include the time, place, manner, and conditions of payment and the interest rate which are ordered by the board.

Acts 1971, 62nd Leg., p. 466, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.504. SUIT TO DETERMINE VALIDITY OF BONDS OR CONTRACT. (a) Before any bonds are offered for sale, the district shall bring suit in any district court within the judicial district in which the district is located or in any district court in Travis County to determine the validity of the bonds. On request of the secretary of interior, any district entering into a contract with the United States shall bring suit in one of the same courts to determine the validity of the contract.

(b) The action shall be in the nature of a proceeding in rem, and jurisdiction over all interested parties may be obtained by publishing notice once a week for at least two consecutive weeks in a newspaper with general circulation in the county in which the district is located. If there is no newspaper published in the county, the notice shall be published in the county nearest to the district in which a newspaper is published.

Acts 1971, 62nd Leg., p. 467, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.505. NOTICE TO ATTORNEY GENERAL. (a) Notice of a validation suit shall be served on the attorney general in the manner provided for serving a notice in civil suits.

(b) The attorney general may waive service if he is furnished a full transcript of the proceedings held in the formation of the district and held in connection with the issuance of the bonds or the authorization of the contract with the United

States and is furnished a copy of the contract.

Acts 1971, 62nd Leg., p. 467, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.507. RIGHT OF PERSONS TO INTERVENE AND PARTICIPATE IN SUIT. At the trial of a validation suit the court may permit persons having an interest in the issues to be determined to intervene and participate in the trial of the issues.

Acts 1971, 62nd Leg., p. 468, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.509. JUDGMENT RENDERED. (a) If the judgment of the court in a validation suit is against the district, the district may accept the judgment and may correct the error pointed out in the proceedings in the manner directed by the court.

(b) After the corrections are made, the judgment of the court shall be rendered showing that the corrections have been made and that the bonds or the contract is a binding obligation on the district.

(c) The final judgment, when it is entered, is res judicata in any case arising in connection with the bonds or their interest or in connection with the collection of money required under the contract with the United States and in all matters relating to the validity of the organization of the district, the district's bonds, or the contract with the United States.

Acts 1971, 62nd Leg., p. 468, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.510. COURT'S DECREE. (a) After the district court enters a final judgment in a validation suit, the clerk of the court shall make a certified copy of the decree which shall be a part of the orders and decree connected with the election.

(b) The court's decree shall be filed with the comptroller and he shall record the decree in a book kept for that purpose.

(c) The certified copy of the decree or a certified copy of the record made by the comptroller shall be received as evidence in any litigation which may affect the validity of the bonds or contract with the United States and shall be conclusive evidence of the validity.

Acts 1971, 62nd Leg., p. 468, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.513. COUNTY CLERK'S FEES. The county clerk is entitled to receive:

(1) for registering the bonds, 10 cents for each bond which is registered;

(2) for entering the payment of a bond, 10 cents; and

(3) for recording district instruments required to be recorded and for which no fee is provided, the same fees provided by law for recording deeds.

Acts 1971, 62nd Leg., p. 469, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.514. SALE OF BONDS. (a) After the bonds are issued and registered by the comptroller, the board shall offer the bonds for sale and shall sell them on the best terms and for the best possible price.

(b) After all the bonds are sold, the board shall pay to the district depository all money received from the sale.

(c) The board may exchange the bonds for property to be acquired by purchase under contract or in payment of the contract price for work to be done for the use and benefit of the district.

Acts 1971, 62nd Leg., p. 469, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.515. EMERGENCY LOANS AND INTERIM BONDS. (a) The district may create emergency loans and issue interim bonds for the purposes, in the manner, and under the restrictions and limitations provided in Sections 51.444-51.449 of this code.

(b) It is the purpose of this section to confer on the district the same power and authority with respect to emergency loans and issuance of interim bonds as that conferred by law on water control and improvement districts.

Acts 1971, 62nd Leg., p. 469, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.516. TAX LEVY. (a) After bonds have been voted, the board shall levy a tax on all property in the district sufficient to pay the interest on the bonds together with an additional amount to be placed in the sinking fund to discharge and redeem the bonds at maturity, and the board shall annually levy or

have assessed and collected taxes on all property in the district sufficient to pay for the expenses for assessing and collecting the taxes.

(b) The board may issue the bonds in serial form or to be paid in installments.

(c) The tax levy shall be sufficient to pay the interest on the bonds, to meet the proportional amount of the principal of the next maturing series of the bonds, and to pay expenses of assessing and collecting the taxes for the year.

(d) If a contract is entered into with the United States, the board shall levy a tax sufficient to meet all installments as they are due and to pay interest. The directors shall make an annual levy until the contracts and obligations are discharged.

Acts 1971, 62nd Leg., p. 469, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.517. ADJUSTMENT OF TAX LEVY. The tax which is levied in connection with the original bond issue shall remain in force for that purpose until a new levy is made. The board may, from time to time, increase or diminish the tax for the purpose of adjusting the tax to the taxable values of taxable property in the district and the amount to be collected, and the increase or decrease in the tax shall be sufficient to provide enough money in the interest and sinking fund to make annual payments on outstanding bonds.

Acts 1971, 62nd Leg., p. 470, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.518. INTEREST AND SINKING FUND. (a) The district shall have an interest and sinking fund which shall consist of all taxes collected under the provisions of this chapter for this fund.

(b) Money in the interest and sinking fund shall be paid out only:

- (1) to satisfy and discharge interest on the bonds;
- (2) to pay the bonds;
- (3) to defray the expense of assessing and collecting the tax; and

- (4) to pay principal and interest due to the United States under a contract with the district under which bonds have not

been deposited with the United States.

(c) The board shall order money from the fund to be paid out by warrants drawn as provided in this chapter. When funds are paid out, the depository shall receive and cancel the interest coupon or bond paid, and the interest coupon or bond shall be delivered to the board to be cancelled and destroyed.

Acts 1971, 62nd Leg., p. 470, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.519. INVESTMENT OF SINKING FUNDS. The board may invest sinking funds of the district in bonds of the United States, the State of Texas, any county, any incorporated city or town, any independent school district, or any school district authorized to issue bonds, or they may invest the funds in irrigation or water improvement bonds. The board may not purchase any bonds which under their terms would mature subsequent to the maturity date of bonds for which the sinking fund was created.

Acts 1971, 62nd Leg., p. 470, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.520. REFUNDING BONDS. (a) The board of a district which has issued bonds under the provisions of this chapter, by resolution, may issue refunding bonds to replace the original bonds. The refunding bonds may be issued in any amount, in any denomination, and for any period of maturity and may bear any rate of interest provided in the board's resolution.

(b) The refunding bonds shall be issued subject to the limitations provided in this subchapter for the issuance of bonds.

(c) The refunding bonds may be exchanged for the original bonds at the original bonds' face value or at a discount, or the refunding bonds may be sold and the net proceeds applied to the purchase of the original bonds at face value or at a discount.

Acts 1971, 62nd Leg., p. 470, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.521. REGISTERING REFUNDING BONDS. (a) The comptroller may not register any refunding bonds until the original bonds for which the refunding bonds are issued are presented to him for cancellation or until a contract for the purchase of a corresponding number of the original bonds has been entered into

and filed with the comptroller.

(b) After the refunding bonds are registered, the comptroller shall keep them in his possession until the original bonds are surrendered to him and cancelled by him, at which time he shall deliver the new bonds to the proper party or parties.

(c) The original bonds may be presented for payment in installments and an equal amount of refunding bonds registered and delivered as provided in this subchapter.

Acts 1971, 62nd Leg., p. 471, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.522. ISSUING REFUNDING BONDS FOR THE SAME AMOUNT AND WITH THE SAME MATURITY DATE AS THE ORIGINAL BONDS. (a) Refunding bonds for the same amount and with the same maturity date as the bonds which they are to replace may be authorized by resolution of the board and issued without an election to approve them.

(b) These refunding bonds shall be registered by the comptroller in the manner provided in Section 55.521 of this code after a copy of the resolution providing for the issuance of the refunding bonds and the cancellation of the original bonds is filed with the comptroller.

(c) After the original bonds are cancelled and the refunding bonds are registered by the comptroller, the refunding bonds are valid and binding obligations of the district without further proceedings and have the same force, validity, and effect as the original bonds which they have replaced.

Acts 1971, 62nd Leg., p. 471, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.523. ISSUING REFUNDING BONDS WHICH PLACE A GREATER BURDEN ON THE DISTRICT. If the district issues refunding bonds for a greater amount, for a greater rate of interest, or for a longer period of maturity than the bonds which they are to replace or if the refunding bonds in any other respect create a greater burden on the district, the district shall submit the question of whether or not it should issue the refunding bonds to the voters of the district.

Acts 1971, 62nd Leg., p. 471, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.524. LAW GOVERNING REFUNDING BONDS. (a) The provisions of this subchapter governing the election and the issuance, approval, validation, registration, and sale of bonds shall apply to refunding bonds.

(b) Refunding bonds shall be registered and delivered in the manner provided in Section 55.521 of this code.

Acts 1971, 62nd Leg., p. 471, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.525. LIMITING DISTRICT'S POWER TO INCUR DEBT. (a) The board of any district operating under the provisions of Article XVI, Section 59, of the Texas Constitution, may limit the power of the district to incur debt and issue bonds in the manner provided by this subchapter.

(b) The board may adopt a resolution declaring that for a period of not more than 10 years the district may not issue bonds in excess of 25 percent of the assessed value of taxable property of the district according to the last assessment for district purposes.

Acts 1971, 62nd Leg., p. 472, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.526. NOTICE OF LIMITATION OF DEBT. Once a week for two consecutive weeks in a newspaper published in the district, the board shall publish notice of the adoption of a resolution to limit the district's power to incur debt. The notice shall state that the resolution will take effect unless a petition against the proposed limitation signed by 10 percent of the qualified property taxpaying electors of the district is presented within 30 days after the first publication of notice.

Acts 1971, 62nd Leg., p. 472, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.527. LIMITATION ELECTION. (a) If a petition is filed under Section 55.526 of this code, the limitation of the power to incur debt will not take effect unless it is approved at a general or special election held in the district. The election will be held in the manner provided for holding other general and special elections in the district.

(b) The ballots for the election shall be printed to provide for voting for or against the following proposition: "Limiting during the term of _____ years, the maximum debt of the district to 25 percent of the assessed value of the real property."

Acts 1971, 62nd Leg., p. 472, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.528. OPERATING UNDER A LIMITATION ON POWER TO INCUR DEBT. (a) If no petition is presented under Section 55.526 of this code or if the limitation on the power to incur debt is approved at the election, the district, during the limitation period, may not issue bonds under any statute or the constitution in excess of the limited amount except to complete construction work for which bonds may be issued within the limitation.

(b) The board shall issue bonds in excess of the limitation to complete these works only after the commission has approved the plans and specifications of the original and uncompleted works together with the estimates of their cost.

Acts 1971, 62nd Leg., p. 472, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1981, 67th Leg., p. 982, ch. 367, Sec. 27, eff. June 10, 1981.

Sec. 55.529. ISSUING BONDS IN EXCESS OF DEBT LIMITATION. (a) If the plans, specifications, and estimates under Section 55.528 of this code are approved by the commission, the district shall publish notice once a week for three weeks that it intends to issue bonds in excess of the debt limitation to complete the works. The notice shall include the amount of the proposed bond issue and the time when a hearing will be held.

(b) The hearing to issue the additional bonds shall be held not less than 30 days from the date of the first publication of notice, and any property taxpayer, bondholder or other creditor, or interested person may appear and be heard.

(c) If the determination after the hearing is to issue the bonds in the amount stated in the notice, the question of whether or not the bonds should be issued shall be submitted to the voters of the district at an election held in the manner provided by law.

Acts 1971, 62nd Leg., p. 472, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1981, 67th Leg., p. 982, ch. 367, Sec. 28, eff. June 10, 1981.

Sec. 55.530. ADDITIONAL PROJECTS FOR THE DISTRICT. (a) After district bonds have been authorized or issued or after a contract with the United States has been authorized or executed, if the board thinks it is necessary, it may authorize:

(1) modifications in the district and its improvements;

(2) purchase or construction of additional improvements and issuance of additional bonds based on the engineer's report; or

(3) a supplemental contract with the United States.

(b) Before any of the projects under Subsection (a) of this section are undertaken, the board shall enter its findings in the minutes and shall give notice that an election will be held to approve the issuance of bonds or the execution of a contract with the United States. The election shall be held within the time and the returns made and the result determined in the same manner provided for the original bond election.

Acts 1971, 62nd Leg., p. 473, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.531. ISSUANCE OF ADDITIONAL BONDS. (a) If an election held under Section 55.530 of this code favors the issuance of additional bonds or execution of a contract with the United States, the board may issue the bonds or negotiate and execute a supplemental contract with the United States in the manner provided in this chapter.

(b) If a contract is made with the United States under Section 55.185 of this code and bonds are not deposited with the United States, the district is not required to issue bonds, and if the district is required to raise funds in addition to the amount of the contract, the district shall issue the bonds only for the additional amount which is needed.

Acts 1971, 62nd Leg., p. 473, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.532. FUNDS TO REPAIR DAMAGED IMPROVEMENTS. (a) If

improvements of the district are damaged, the district may issue bonds or notes to secure funds to repair the damage.

(b) The district's notes may not be for a term of more than 20 years. The board may issue the notes in serial form to mature in installments.

(c) Before the notes are issued, the board shall order an election to be held to approve the issuance of the notes and shall give notice of the election in the manner provided for bond elections. The notice shall include the purpose for which the notes are being issued, the rate of interest, the term of the notes, and the time and place of the election.

(d) The ballots for the election shall be printed to provide for voting for or against the following proposition: "Issuance of notes."

(e) The election shall be held and returns made and canvassed in the manner provided for bond elections.

(f) If two-thirds of the persons voting in the election vote in favor of issuing the bonds, the board may issue and sell the bonds for the benefit of the district.

(g) When the notes are issued or sold, the board shall levy a tax to pay interest on the bonds and to create a sinking fund sufficient to pay the interest and the notes before they mature.
Acts 1971, 62nd Leg., p. 473, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.533. PREFERRED LIEN IN FAVOR OF THE UNITED STATES. A lien for the payments due the United States under a contract between the district and the United States under which bonds have not been deposited with the United States shall be a preferred lien to that of any issue of bonds or any series of any issue of bonds subsequent to the date of the contract.

Acts 1971, 62nd Leg., p. 474, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.534. DEFAULT IN PAYING PRINCIPAL AND INTEREST ON BONDS BY A DISTRICT OBTAINING ITS WATER SUPPLY FROM THE UNITED STATES. (a) If a district which obtains its water supply from the United States defaults in the payment of principal and interest on bonds issued by the district, the board, if it considers it

advisable, may authorize the issuance of bonds to fund or refund the debt including bonds, debt and accrued interest on debt, and interest on notes lawfully issued to pay for construction or acquisition of irrigation and drainage works.

(b) Before any bonds are issued under this section, the district shall submit to the voters of the district the question of whether or not the bonds should be issued.

(c) The board may issue the bonds either in serial form or in a form which provides for annual payment of principal and interest in a single amount, represented by coupons, and the board may prescribe the form and contents of the bonds and coupons. Amortization of both principal and interest on the bonds shall be accomplished in not more than 40 years from the date the bonds are issued.

(d) If bonds are issued in serial form, they shall be numbered consecutively beginning with one and continuing in numerical order. The bonds shall mature serially in annual amounts which are approximately equal. The board may set the bonds to not less than 5 years nor more than 40 years.

(e) If the bonds provide for the annual payment of principal and interest in a single amount which is represented by coupons, the coupons for the first five years may be for any amount which in the judgment of the board is economically sound and within the ability of the district to pay. For the remainder of the term of the bonds, the coupons shall be paid annually in equal amounts which are sufficient to liquidate the remainder of the bonds within 40 years from the date the bonds were issued.

(f) Any funding or refunding bonds issued under this section shall be negotiable.

(g) The district is not bound by the provisions of Sections 55.504-55.505 of this code, and the exercise of the provisions of those sections is left to the discretion of the board. If a suit is instituted, the suit is subject to the provisions and governed by the statutes relating to these suits.

(h) Except as otherwise provided in this section, the laws governing the issuance of bonds and the form and contents of bonds shall apply to bonds issued under this section.

Acts 1971, 62nd Leg., p. 474, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER M. AD VALOREM TAXATION

Sec. 55.581. ASSESSMENT AND COLLECTION OF DISTRICT TAXES. The assessor and collector shall assess and collect taxes for the district.

Acts 1971, 62nd Leg., p. 475, ch. 58, Sec. 1, eff. Aug. 30, 1971. Amended by Acts 1979, 66th Leg., p. 2321, ch. 841, Sec. 4(r), eff. Jan. 1, 1982.

Sec. 55.600. TAX OFFICE. For the convenience of district taxpayers, the assessor and collector shall maintain an office with the board. The office shall serve as a place where taxes may be paid.

Acts 1971, 62nd Leg., p. 478, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.601. ADDITIONAL DUTIES OF THE ASSESSOR AND COLLECTOR. The board may prescribe other duties for the assessor and collector which duties shall be performed in the manner prescribed in the board's rules and regulations.

Acts 1971, 62nd Leg., p. 479, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.604. ASSESSMENT LIENS. Assessments made by the board for maintenance and operation of the district are liens against the land on which the assessments were made and remain liens on the land until the assessments are paid. No law which provides for a period of limitation against actions for debt shall apply under this section, and these debts cannot be barred by limitation. Acts 1971, 62nd Leg., p. 479, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.620. GENERAL POWERS AND REGULATIONS. (a) No district may become a party to, purchase, hold under, assign, seek to enforce, or receive benefits from a contract between a landowner and a private canal company which was entered into before the district was created. Rights and privileges owned or possessed by the district are those arising or inherent in the district under

this chapter.

(b) The district may not:

(1) acquire or enforce any lien against the land which was fixed by a contract entered into before the district was created;

(2) prosecute or have prosecuted any suit to recover water taxes or assessments which accrued before the district was created;

(3) foreclose any lien on land for unpaid water taxes or assessments which accrued before the district was created;

(4) avail itself of any rights under a private contract relating to the land which contract was entered into before the district was created; and

(5) be held liable for the private contract.

(c) The two-year statute of limitation and the provisions of this section may be pleaded as a bar to an action to recover water rents or other assessments which accrued on land in the district before the district was created.

Acts 1971, 62nd Leg., p. 482, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER N. TAXATION ON A BENEFIT BASIS

Sec. 55.651. ELECTION TO DETERMINE METHOD OF TAXATION. (a) A district which operates under the provisions of Article XVI, Section 59, of the Texas Constitution, may, at the time the district is created or before bonds are issued, submit to the voters of the district the question of whether the district will levy, assess, and collect taxes on the ad valorem basis or on the benefit basis.

(b) The question shall be presented to the voters at the time and in the manner provided by the board.

(c) The ballots for the election shall be printed to provide for voting for or against the following proposition: "The levy of taxes on the benefit basis instead of the ad valorem basis."

(d) The election shall be governed by the provisions of this chapter.

(e) If a majority of the persons voting in the election favor the proposition, the district shall levy, assess, and collect

its taxes on the benefit basis.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.652. ASSESSMENT RECORD. When necessary, the board shall apportion and assess the benefits conferred on property in the district and shall make a record showing the amount and value of benefits to accrue on property in the district and the amount of taxes to be levied and collected on the property. No taxes assessed or adjudged against the property may be more than the benefit which accrues to the property from the organization, operation, and maintenance of the district and its improvements.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.653. NOTICE OF TAXES. After the board makes the record specified in Section 55.652 of this code, the board shall mail to each property owner whose name appears in the record, notice of the amount of taxes levied on his property and the date and place at which the property owner may appear and contest the correctness and equitableness of the tax.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.654. DECISION AFTER HEARING. After the hearing, the board shall determine whether or not the tax is equitable and shall sustain, reduce, or increase the tax to an amount which in the board's judgment is equitable.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.655. APPLICABLE LAW. The provisions of this chapter relating to levy, assessment, and collection of taxes which are not inconsistent with the provisions of this subchapter shall apply.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.656. DISTRICTS ADOPTING BENEFIT PLAN OF TAXATION. In any district other than a district operating under a contract with the United States which is operating under the provisions of Article XVI, Section 59, of the Texas Constitution, and which

adopted the assessment of benefit plan of taxation, tax values shall be fixed, levied, assessed, equalized, and collected in the manner provided in Sections 55.657-55.669 of this code.

Acts 1971, 62nd Leg., p. 484, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.657. COMMISSIONERS OF APPRAISEMENT. As soon as practicable after the approval of the engineer's report and the adoption of the plan for improvements to be constructed, the board shall appoint three disinterested commissioners of appraisement. The commissioners shall be freeholders but not owners of land within the district which they represent.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.658. COMPENSATION OF COMMISSIONERS. On approval by the board, each commissioner is entitled to receive \$10 a day for each day he actually serves, plus all necessary expenses.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.659. NOTICE OF APPOINTMENT AND MEETING. Immediately after the commissioners of appraisement are appointed, the secretary of the board shall give written notice to each appointee of his appointment and of the time and place of the first meeting of the commissioners.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.660. FIRST MEETING OF COMMISSIONERS. (a) The commissioners shall meet at the time specified in the notice from the secretary or as soon thereafter as possible.

(b) At the meeting the commissioners shall take an oath to faithfully and impartially discharge their duties as commissioners and make a true report of the work which they perform. They shall then organize by electing one commissioner as chairman and one commissioner as vice-chairman.

(c) The secretary of the board or, in his absence, a person appointed by the board shall serve as secretary to the commissioners of appraisement and shall furnish to the commissioners any information and assistance which is necessary for

the commissioners to perform their duties.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.661. ASSISTANCE FOR COMMISSIONERS. Within 30 days after the commissioners qualify and organize, they shall begin to perform their duties, and in the exercise of their duties, they may obtain legal advice and information relative to their duties from the district's attorney and, if necessary, may require the presence of the district engineer or one of his assistants at any time and for as long as necessary to properly perform their duties.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.662. VIEWING LAND AND OTHER PROPERTY AND IMPROVEMENTS IN DISTRICT. The commissioners shall view the land in the district which will be affected by the district's reclamation plans and the public roads, railroads, rights-of-way, and other property and improvements located in the district and shall assess the amount of the benefits and damages that will accrue to the land, roads, railroads, rights-of-way, or other property or improvements in the district from the construction of the improvements.

Acts 1971, 62nd Leg., p. 485, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.663. COMMISSIONERS REPORT. (a) The commissioners shall prepare a report and file it with the secretary of the board. The report shall be signed by at least a majority of the commissioners.

(b) The report shall include:

(1) the name of the owner of each tract of land which is subject to assessment;

(2) a description of the property;

(3) the amount of the benefits or damages assessed on each tract of land;

(4) the time and place at which a hearing will be held on the report to hear objections; and

(5) the number of days each commissioner served and the actual expenses incurred during his service as commissioner.

(c) The date set in the report for the hearing may not be

earlier than 20 days after the report is filed.

Acts 1971, 62nd Leg., p. 486, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.664. NOTICE OF HEARING. (a) After the commissioners' report is filed, the secretary of the board shall publish notice of the hearing on the report at least once a week for two consecutive weeks in a newspaper published in each county in which part of the district is located. The secretary also shall mail written notice of the hearing to each person whose property will be affected if his address is known.

(b) The notice shall state:

- (1) the time and place of the hearing;
- (2) that the commissioners' report has been filed;
- (3) that interested persons may examine the report and make objections to it; and
- (4) that the commissioners will meet at the time and place indicated to hear and act on objections to the report.

(c) On the day of the hearing, the secretary shall file in his office the original notice and his affidavit stating the manner of publication, the names of persons to whom notice was mailed, and the names of persons to whom notice was not mailed because the secretary by reasonable diligence could not ascertain their addresses. Copies of the notice and affidavit also shall be filed with the commissioners of appraisement and the clerk of the commissioners court.

Acts 1971, 62nd Leg., p. 486, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.665. HEARING. (a) At or before the hearing on the commissioners' report, an owner of land which is affected by the report or the reclamation plans may file exceptions to all or part of the report.

(b) At the hearing, the commissioners shall hear and form opinions on the objections submitted and for the objections which are sustained, the commissioners may make necessary changes and modifications in the report.

Acts 1971, 62nd Leg., p. 486, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.666. WITNESSES AT THE HEARING. At the hearing, interested parties not only may appear in person or by attorney, but are entitled, on demand, to have the chairman of the commissioners issue process for witnesses. The commissioners shall have the same power as a court of record to enforce the attendance of witnesses. Acts 1971, 62nd Leg., p. 486, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.667. COSTS OF HEARING. The commissioners may adjudge and apportion the cost of the hearing in any manner they consider equitable. Acts 1971, 62nd Leg., p. 487, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.668. COMMISSIONERS' DECREE. (a) After the commissioners have made a final decision based on the hearing, they shall issue a decree confirming their report insofar as it remains unchanged, and shall approve and confirm changes in the report.

(b) The final decree and judgment of the commissioners shall be entered in the minutes of the board, and certified copies shall be filed with the county clerk of each county in which part of the district is located and shall be notice to all persons of the contents and purpose of the decree.

(c) The findings of the commissioners which relate to benefits and damages to land and other property in the district are final and conclusive. Acts 1971, 62nd Leg., p. 487, ch. 58, Sec. 1, eff. Aug. 30, 1971. Amended by Acts 1989, 71st Leg., ch. 1248, Sec. 71, eff. Sept. 1, 1989.

Sec. 55.669. EFFECT OF FINAL JUDGMENT AND DECREE. The final judgment and decree of the commissioners shall form the basis for all taxation in the district. Taxes shall be apportioned and levied on each tract of land and other real property in the district in proportion to the net benefits to the land or other property stated in the final judgment and decree. Acts 1971, 62nd Leg., p. 487, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.670. FIXING TAX AS EQUAL SUM ON EACH ACRE. At the

election at which the plan of taxation is determined or at any other time before the bonds are issued, the voters of a district which is not operating under a contract with the United States may vote on the proposition of whether or not benefits for tax purposes shall be fixed as an equal sum on each acre of land that is irrigated or to be irrigated by gravity flow from the canal system of the district. The benefit per acre shall be voted on as it is applied to land in the district that can be irrigated by gravity flow from the irrigation system and also the benefit to land in the district that cannot be irrigated by gravity flow.

Acts 1971, 62nd Leg., p. 487, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.671. ELECTION. (a) If the board desires to submit the question of whether or not to adopt the method of assessing benefits provided in Section 55.670 of this code, it shall order an election to be held in the district and shall submit the proposition in the manner provided for other district elections.

(b) The ballots for the election shall be printed to provide for voting for or against: "Uniform assessment of benefits of \$_____ per acre on all irrigable land in the district, and the assessment of \$_____ per acre on all nonirrigable land in the district."

(c) The board shall determine the amounts which shall fill the spaces in the proposition. The amount of charge per acre may be found by dividing the number of acres of land into the amount of debt to be incurred by the district in providing for irrigation.

(d) If a majority of the persons voting in the election vote in favor of the proposition, it shall be adopted.

Acts 1971, 62nd Leg., p. 487, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.672. EXCLUDING NONIRRIGABLE LAND FROM DISTRICT. If the owner of land which is classed as nonirrigable under the uniform acreage valuation objects to the amount of charges fixed against him by the order calling the election or by the result of the election, he may have his nonirrigable land excluded from the district by filing an application for exclusion as provided by law within 10 days after the election is held.

Acts 1971, 62nd Leg., p. 488, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.673. SETTING ANNUAL VALUE OF LAND UNNECESSARY. If the district adopts the uniform acreage valuation for taxation, the valuation shall be applied to all land in the district, and it is not necessary to annually fix the value of the land. It is also unnecessary for the board to appoint a commission to ascertain or fix the value of the improvement to particular land.

Acts 1971, 62nd Leg., p. 488, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1979, 66th Leg., p. 2321, ch. 841, Sec. 4(r), eff. Jan. 1, 1982.

Sec. 55.674. PREPARING TAX ROLLS. (a) The board shall examine the tax rolls to determine if all property subject to taxation appears on the tax rolls under the proper classification. The board shall add to the tax roll any property which was left off and shall examine, correct, and certify the tax roll.

(b) Any property owner may protest to the board that his property has not been properly classified. The board shall consider the protest, hear evidence, and enter its findings in the minutes.

Acts 1971, 62nd Leg., p. 488, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1979, 66th Leg., p. 2321, ch. 841, Sec. 4(r), eff. Jan. 1, 1982.

Sec. 55.676. LAW GOVERNING ADMINISTRATION OF BENEFIT TAX PLAN. In a district that levies taxes on a benefit basis, the rate of taxation and the assessment and collection of taxes shall be governed by the law relating to ad valorem taxes to the extent applicable.

Acts 1971, 62nd Leg., p. 488, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Amended by Acts 1979, 66th Leg., p. 2321, ch. 841 Sec. 4(r), eff. Jan. 1, 1982.

Sec. 55.677. IRRIGATING NONIRRIGABLE LAND. If land which is classed as nonirrigable is later irrigated by the district, before the owner of the land receives the water, he shall pay to the

district an amount equal to the entire amount that would have been charged to the owner if the land had been originally classed as irrigable.

Acts 1971, 62nd Leg., p. 488, ch. 58, Sec. 1, eff. Aug. 30, 1971.

SUBCHAPTER O. ADDING AND EXCLUDING TERRITORY, AND CONSOLIDATING DISTRICTS

Sec. 55.721. EXCLUSION OF NONAGRICULTURAL AND NONIRRIGABLE LAND FROM DISTRICT. Land located in the district which is classified as nonagricultural and nonirrigable may be excluded from the district in the manner provided in Subchapter J, Chapter 49.

Acts 1971, 62nd Leg., p. 490, ch. 58, Sec. 1, eff. Aug. 30, 1971.
Amended by Acts 1995, 74th Leg., ch. 715, Sec. 26, eff. Sept. 1, 1995.

Sec. 55.750. CONSOLIDATION OF DISTRICTS. Two or more districts governed by the provisions of this chapter may consolidate into one district as provided by Sections 55.751-55.754.

Acts 1971, 62nd Leg., p. 495, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.751. ELECTIONS TO APPROVE CONSOLIDATION. (a) After the directors of each district have agreed upon the terms and conditions of consolidation, they shall order an election in each district to determine whether the districts should be consolidated.

(b) The directors of each district shall order an election to be held on the same day in each district and shall give notice of the election for at least 20 days in the manner provided by law for other elections.

(c) The districts may be consolidated only if the electors in each district vote in favor of the consolidation.

Acts 1971, 62nd Leg., p. 495, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.752. GOVERNING CONSOLIDATED DISTRICTS. (a) When two or more districts are consolidated, they become one district, except for the payment of debts created prior to consolidation, and

are governed as one district.

(b) During a period of 90 days after the date of the election to approve consolidation, the officers of each district shall continue to act jointly as officers of the district to wind up the affairs of their respective districts.

(c) The consolidation agreement may provide that the officers of the original districts shall continue to act jointly as officers of the consolidated district until the next election or name persons to serve as officers of the consolidated district until the next election if all officers of the original districts agree to resign.

(d) New officers of the consolidated district must qualify as officers of the district within the period of 90 days after the election and shall assume their offices at the expiration of the 90-day period.

(e) The current boards shall approve the bond of each new officer.

Acts 1971, 62nd Leg., p. 495, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.753. DEBTS OF ORIGINAL DISTRICTS. (a) When two or more districts are consolidated, the debts of the original districts are protected and are not impaired.

(b) These debts may be paid by taxes or assessments levied on the land in the original district as if it had not consolidated or contributions from the consolidated district on terms stated in the consolidation agreement.

Acts 1971, 62nd Leg., p. 496, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.754. TAXES OF THE ORIGINAL DISTRICT. (a) After consolidation, the officers of the consolidated district shall assess and collect taxes on property in the original district to pay debts created by the original district.

(b) If the officers of the consolidated district fail or refuse in due time to assess and collect taxes on property in the original district to pay the obligations of the original district, the taxes may be assessed and collected and paid on the obligations by a receiver acting under orders of a district court. A creditor

or five or more taxpayers in the district may bring suit in a district court to have a receiver appointed.

Acts 1971, 62nd Leg., p. 496, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.755. EXCLUSION OF CERTAIN NONIRRIGATED LAND. If a district is principally engaged in providing water for agricultural irrigation or the primary purpose of the district is to provide water for agricultural irrigation, the board may exclude from the district land that is not being irrigated as provided by Sections 51.759 through 51.766. This section applies only to land that is eligible for exclusion under Section 51.759.

Added by Acts 1995, 74th Leg., ch. 42, Sec. 2, eff. Aug. 28, 1995.

SUBCHAPTER P. DISSOLUTION OF DISTRICT

Sec. 55.801. FAILURE TO FUNCTION. Subject to the provisions of Sections 50.251-50.256 of this code, if any district does not begin to acquire the necessary canals, ditches, flumes, laterals, reservoirs, sites, damsites, pumping plants, or other things necessary to the successful operation of the district or does not diligently pursue the purposes for which it was created within two years after its organization, the district may be dissolved without formal action.

Acts 1971, 62nd Leg., p. 496, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.802. RIGHTS OF DEBTORS IF DISTRICT FAILED TO FUNCTION. Any person with an interest in the district or a debt owed by the district may collect the debt in the manner provided for the collection of a debt due by any person, association of persons, or corporation. A court of competent jurisdiction may render judgment making the debt a lien against the property of the district and providing for the payment of the debt and judgment in the manner that a judgment for debt is enforced against a city or town that has been dissolved.

Acts 1971, 62nd Leg., p. 496, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.803. DISSOLUTION USING PROCEDURE FOR ORGANIZATION

OF DISTRICTS. If all debts and obligations of the district have been paid and discharged, a district may dissolve voluntarily by the same vote and in the same manner provided in this chapter for the organization of districts. The election shall be held in the manner provided in this chapter for holding elections in the district.

Acts 1971, 62nd Leg., p. 496, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.804. DISSOLUTION USING PROCEDURE FOR ABOLITION OF DISTRICTS IN CHAPTER 56. A district may dissolve voluntarily in the manner provided for the dissolution of districts in Chapter 56 of this code, and the provisions in that chapter shall control the abolition of the district and the legal consequences of abolition. Acts 1971, 62nd Leg., p. 497, ch. 58, Sec. 1, eff. Aug. 30, 1971.

Sec. 55.805. PAYMENT OF DEBTS ON DISSOLUTION OF DISTRICT. (a) All debts of districts dissolved under the provisions for the dissolution of districts in this subchapter shall be prorated against the lands in the district in accordance with the assessed valuation for the preceding year of the lands owned by each separate landowner, according to the tax rolls in the office of the tax collector of the county in which the land is located.

(b) The pro rata assessments shall be paid within five years from the date of dissolution in five equal annual installments or at any time within the five-year period.

(c) Any allowed claim owned by a landowner against whom a pro rata assessment has been made shall be credited on the liquidation of the assessment. All prior payments made by any landowner of the dissolved district shall be credited on the assessment against him and his land.

(d) The issuance of a receipt for the payment of the assessment by the proper official as provided in Chapter 56 of this code shall release the owner of the assessments and his land from the liens. The receipts may be recorded in the real estate records of the county or counties in which the land of the owner is located.

(e) When the assessment has been paid, the landowner is released automatically from the debt, and his land is released from

all liens existing as security for the assessment.

Acts 1971, 62nd Leg., p. 497, ch. 58, Sec. 1, eff. Aug. 30, 1971.