SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 5. TRANSPORTATION

SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES

CHAPTER 5018. ORANGE COUNTY NAVIGATION AND PORT DISTRICT OF ORANGE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5018.0001.  DEFINITIONS.  In this chapter:

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

(2)  "Commissioner" means a board member.

(3)  "District" means the Orange County Navigation and Port District of Orange County, Texas.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0002.  FINDINGS OF BENEFIT AND PURPOSE. (a)  The creation of the district is essential to accomplish the purposes of Section 59,  Article XVI, Texas Constitution, including, to the extent authorized by this chapter:

(1)  the supervision, maintenance, development, extension, and improvement of navigation in the district;

(2)  the maintenance, development, extension, and improvement of port facilities and dock facilities in the district; and

(3)  the development of the Port of Orange in the district.

(b)  The district:

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

(2)  is in the interest of national defense, the Port of Orange being strategically located on the Gulf Coast with an inland-protected harbor and in a rapidly developing industrial area in which shipyards and ship-storing basins are located; and

(3)  will result in:

(A)  material benefits and improvements to district territory;

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

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

(c)  All property in the district and in this state will benefit from the district and the improvements and facilities acquired or constructed under this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0003.  DISTRICT TERRITORY. (a)  The district's boundaries are coextensive with the boundaries of Orange County, unless the district's territory has been modified under:

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

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

(3)  other law.

(b)  The district includes all of the property within the district's boundaries.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0004.  LIBERAL CONSTRUCTION OF CHAPTER.  This chapter shall be liberally construed to effect its purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 5018.0051.  BOARD OF COMMISSIONERS; TERM; ELECTION. (a)  The district is governed by a board composed of five elected commissioners.

(b)  Commissioners serve staggered four-year terms.

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

(d)  The board has the rights and powers conferred and imposed on navigation and canal commissioners and commissioners courts by Chapter 62, Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0052.  COMPOSITION OF BOARD; QUALIFICATIONS. (a)  One commissioner must reside in each county commissioners precinct of Orange County and one commissioner must reside in the county at large.

(b)  Each commissioner must:

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

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

(c)  The candidates receiving the highest number of votes from each county commissioners precinct and the county at large shall be declared elected.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0053.  POLLING PLACES.  For all elections held under this chapter, the board, in each election order, shall designate the number and location of polling places, provided that at least one polling place is located in each of the county commissioners precincts.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0054.  COMMISSIONER'S OATH AND BOND.  Not later than the 10th day after the date of the commissioner's election, each commissioner shall:

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

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0055.  COMPENSATION OF COMMISSIONERS; EXPENSES. (a)  At the first meeting after each election, the commissioners by order shall set the amount of compensation to be received by a commissioner for each day served, not to exceed $600 per year, plus actual traveling expenses.

(b)  Each month or as soon as practicable following each month, each commissioner shall file with the district's secretary a statement showing the amount owed to the commissioner.  A check may not be issued to the commissioner until the commissioner has filed the statement with the secretary.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0056.  VACANCIES. (a)  A vacancy on the board shall be filled by board appointment until the next commissioners' election.  If the vacant position is not regularly scheduled to be filled at that election, the person elected to fill the position serves only for the remainder of the unexpired term.

(b)  A person appointed under this section must have the same qualifications as a person elected to the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0057.  OFFICERS AND EMPLOYEES. (a)  As soon as practicable after each election of commissioners, the board shall elect a president, vice president, and secretary and treasurer.

(b)  The board may:

(1)  employ a port director and other officers as required to manage and operate the district and, subject to the board's orders, delegate that authority;

(2)  employ and prescribe the duties of officers, agents, and employees;

(3)  set the compensation of officers, agents, and employees; and

(4)  remove any employee.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0058.  OFFICER'S OR EMPLOYEE'S SURETY BOND. (a)  A bond required of a district officer or employee must be executed by a surety company authorized to do business in this state as surety on the bond.

(b)  The district may pay the premium on the bond.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0059.  DISTRICT OFFICE.  A regular office shall be established and maintained for conducting district business in the district's territory.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0060.  CONFLICT OF INTEREST; CRIMINAL PENALTY. (a)  A district commissioner, engineer, or employee, personally or as an agent for another person, may not benefit directly or indirectly from a sale, purchase, or contract entered into by the board.

(b)  A person commits an offense if the person violates this section.  An offense under this subsection is a misdemeanor punishable by:

(1)  a fine not to exceed $1,000;

(2)  confinement in the county jail for not less than six months or more than one year; or

(3)  both the fine and confinement.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 5018.0101.  GENERAL AND NAVIGATION DISTRICT POWERS.  The district has:

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

(2)  all powers, rights, privileges, and functions conferred by general law, including Chapter 62, Water Code, on any navigation district created or operating under Section 59, Article XVI, Texas Constitution.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0102.  POWERS REGARDING WHARVES, DOCKS, AND OTHER FACILITIES.  The district may:

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

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0103.  LIMITATION ON CERTAIN POWERS.  This chapter may not be construed as granting the district or the board any power over the appointment, operations, or conduct of:

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

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0104.  BYLAWS AND RULES.  The district may adopt bylaws and rules to manage and regulate its affairs.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0105.  ACQUISITION OF PROPERTY; EMINENT DOMAIN; DAMAGES. (a)  In this section, "property" means property of any kind, including a lighter, a tug, a barge, and other floating equipment of any nature.

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

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

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

(c)  The district may exercise the power of eminent domain to acquire the fee simple title to or an easement or right-of-way over and through any land, water, or land under water, private or public, in the district that the board determines is necessary or convenient to carry out a purpose or power granted to the district by this chapter.

(d)  The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to give bond for appeal or bond for costs in any judicial proceeding.

(e)  In exercising the power of eminent domain against a person that has the power of eminent domain or a receiver or trustee for that person, the district may acquire an easement only and not the fee simple title.

(f)  A condemnation proceeding is under the board's direction and must be in the district's name.

(g)  Except as provided by Subsections (h) and (i), the assessment of damages and all procedures with reference to condemnation, appeal, and payment must conform to Chapter 21, Property Code.

(h)  If the district's exercise of a power granted by this chapter makes necessary the relocation of a railroad line or right-of-way, the district shall pay the cost of the relocation and any damage incurred in changing and adjusting the railroad lines and grades.

(i)  The damages to the owner of public utilities and communication facilities and properties must include the actual loss, costs, and expenses incident to the removal and relocation of the facilities and properties, including:

(1)  the costs of installing the facilities in a new location;

(2)  the costs of any land or rights or interest in land; and

(3)  any other property rights acquired to accomplish the removal and relocation.

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0106.  ACQUISITION OF PROPERTY FROM CITY OF ORANGE. (a)  The district may acquire from the City of Orange, with the consent of the City of Orange as provided by the city's charter, the city's port properties, lands, assets, liabilities, contracts, improvement plans, money on hand, and facilities acquired by the city for port purposes.

(b)  The manner of the acquisition authorized under this section must be determined between the City of Orange's city commission and the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0107.  GENERAL AUTHORITY TO MAKE CONTRACTS AND EXECUTE INSTRUMENTS.  The district may make a contract or execute an instrument necessary or convenient to exercise a power, right, privilege, or function granted to the district by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0108.  AUTHORITY TO SUE AND BE SUED.  The district may sue and be sued in its corporate name.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0109.  SEAL.  The district may adopt and use a corporate seal.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0110.  POWERS AND LIMITATIONS REGARDING LEVINGSTON ISLAND IN LOUISIANA. (a)  On approval by resolution of the board, the district may purchase for the district the following property:  Levingston Island, also known as Harbor Island, located in the bend of the Sabine River, opposite the City of Orange and located in Calcasieu Parish, Louisiana.

(b)  The property purchased under this section is not territory in the district's boundaries.  The authority to purchase the property described in this section and the purchase of that property is not the annexation or attempted annexation of the property to the State of Texas from the State of Louisiana.

(c)  The district may:

(1)  provide projects and facilities on the property purchased under this section for purposes of economic development to benefit the district; and

(2)  issue bonds and other obligations of the district secured by the revenue from the projects and facilities provided on the property purchased under this section for the purposes of constructing, acquiring, and maintaining those projects and facilities.

(d)  The district may not impose ad valorem taxes in the district to finance the projects and facilities provided under this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 5018.0151.  DEPOSITORY.  The board shall select a depository or depositories for the district in the manner provided by law for the selection of a county depository.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0152.  ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC INSPECTION. (a)  The board shall cause to be kept complete and accurate accounts conforming to approved methods of bookkeeping.

(b)  The secretary shall:

(1)  keep a true and full account of board meetings and proceedings; and

(2)  preserve board minutes, contracts, notices, accounts, receipts, and other records in a fireproof vault or safe.

(c)  The records kept and preserved by the secretary under Subsection (b) are:

(1)  district property; and

(2)  subject to public inspection.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0153.  AUTHORITY TO BORROW MONEY, ACCEPT GRANTS, AND ISSUE ASSOCIATED BONDS. (a)  The district may:

(1)  borrow money for any purpose that is provided by:

(A)  this chapter; or

(B)  the general laws relating to navigation districts;

(2)  borrow money or accept a grant from the United States or from a corporation or agency created or designated by the United States and, in connection with the loan or grant, enter into any agreement the United States or the corporation or agency requires; and

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

(b)  The district may make and issue bonds under Subsection (a)(3) that are:

(1)  revenue bonds;

(2)  tax bonds; or

(3)  combination tax-revenue bonds.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0154.  AUTHORITY TO BORROW MONEY FOR CURRENT EXPENSES; EVIDENCE OF OBLIGATION. (a)  The district may:

(1)  borrow money for current expenses; and

(2)  evidence the borrowed money by warrants payable not later than the close of the calendar year for which the loan is made.

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0155.  AD VALOREM TAX FOR MAINTENANCE AND OPERATIONS; ELECTION PROCEDURE. (a)  The district may impose an annual ad valorem tax at a rate not to exceed 15 cents on each $100 valuation of taxable property in the district for the maintenance, operation, and upkeep of the district and the facilities, properties, and improvements constructed or acquired by the district.

(b)  Elections may be held to increase, reduce, or abate a tax imposed under this section, subject to the limit prescribed by Subsection (a).

(c)  A maintenance tax election must be held in the same manner as a bond election.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0156.  IMPOSITION OF TAXES; TAX CERTIFICATION; TAX ASSESSOR-COLLECTOR. (a)  A tax authorized by this chapter, whether for bonds or maintenance purposes, must be imposed by the board.

(b)  Each year, the board shall certify to the Orange County tax assessor-collector the rate or rates of tax that the board has imposed for bonds and maintenance purposes.

(c)  The Orange County tax assessor-collector shall assess and collect taxes imposed by the board in the manner provided by Chapter 62, Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER E. BONDS

Sec. 5018.0201.  DEFINITION.  In this subchapter, "net revenue" means the gross revenue derived from the operation of the district's improvements and facilities the income of which is pledged to the payment of district bonds less the reasonable expense of maintaining and operating those improvements and facilities, including necessary repair, upkeep, and insurance expenses for those improvements and facilities.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0202.  AUTHORITY TO ISSUE BONDS. (a)  To provide money for any purpose provided by this chapter or another law relating to navigation districts, the board may issue bonds secured:

(1)  solely by a pledge of and payable from the net revenue derived from the operation of all or a designated part of the district's improvements and facilities then in existence or to be constructed or acquired;

(2)  by a pledge of and payable from an ad valorem tax on all taxable property in the district under Section 59, Article XVI, Texas Constitution; or

(3)  by a combination of the methods prescribed under Subdivisions (1) and (2).

(b)  If bonds issued under Subsection (a)(1) are outstanding, the board shall charge and collect fees, tolls, and charges sufficient to:

(1)  pay all maintenance and operation expenses of the improvements and facilities, the income of which is pledged;

(2)  pay the interest on the bonds as it accrues;

(3)  pay the principal of the bonds as it matures; and

(4)  make any other payments prescribed in the bond order or resolution.

(c)  If bonds issued under Subsection (a)(2) are outstanding, the board shall annually impose a tax sufficient to pay:

(1)  the interest on the bonds as it accrues; and

(2)  the principal of the bonds as it matures.

(d)  If bonds issued under Subsection (a)(3) are outstanding, the board shall charge and collect fees, tolls, and charges so that, in the manner prescribed in the bond order or resolution, the amount of tax to be collected may be reduced or abated to the extent that the revenue from the operation of the improvements and facilities, the income of which is pledged, is sufficient to:

(1)  meet the requirements for maintenance and operation of the improvements and facilities; and

(2)  provide money for the bonds as prescribed in the bond order or resolution.

(e)  All district bonds must be authorized by board resolution or order.

(f)  Bonds payable solely from net revenue may be issued without an election.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0203.  ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a)  Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by an election called by the board at which a majority of the votes cast favor the bond issuance.

(b)  Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district on the same day in each of two successive weeks.  The first publication must be not later than the 14th day before the date of the election.  No other notice of the election is necessary.

(c)  If the bonds are to be payable solely from taxes, the ballot must have printed on it "For the bonds and the levy of taxes in payment thereof" and the contrary of that proposition.

(d)  If the bonds are to be payable both from net revenue and taxes, the ballot must have printed on it "For the bonds, the pledge of net revenues, and the levy of taxes adequate to provide for the payment thereof" and the contrary of that proposition.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0204.  PROVISIONS OF CERTAIN BOND RESOLUTIONS OR ORDERS; AUTHORITY TO ADOPT OR EXECUTE OTHER PROCEEDINGS OR INSTRUMENTS. (a)  In the resolution or order adopted by the board authorizing the issuance of bonds payable wholly or partly from net revenue, the board may:

(1)  provide for:

(A)  the flow of money; and

(B)  the establishment and maintenance of an interest and sinking fund, a reserve fund, and any other funds;

(2)  make any additional covenants with respect to the bonds, the pledged revenue, and the operation, maintenance, and upkeep of the improvements and facilities the income of which is pledged, including a provision for the leasing of all or a part of the improvements and facilities and the use or pledge of money derived from those leases, as the board considers appropriate;

(3)  prohibit the further issuance of bonds or other obligations payable from the pledged net revenue;

(4)  reserve the right to issue additional bonds to be secured by a pledge of and payable from the net revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions provided by the resolution or order; or

(5)  include any other provision or covenant, as determined by the board, that is not prohibited by the Texas Constitution or this chapter.

(b)  The board may adopt and execute any other proceeding or instrument necessary or convenient to issue the bonds.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0205.  FORM OF BONDS.  District bonds must be:

(1)  issued in the district's name;

(2)  signed by the president; and

(3)  attested by the secretary.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0206.  MATURITY.  District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0207.  USE OF BOND PROCEEDS.  The board may appropriate or set aside out of the proceeds from the sale of any district bonds:

(1)  an amount for the payment of interest expected to accrue during the period of construction of the improvements or facilities; and

(2)  an amount necessary to pay all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

Sec. 5018.0208.  REFUNDING BONDS. (a)  The board may issue refunding bonds of the district to refund any outstanding district bonds and accrued interest on those bonds.

(b)  Refunding bonds may:

(1)  as to outstanding bonds payable wholly from taxes, be issued to refund more than one series or issue of the outstanding bonds; and

(2)  as to outstanding bonds payable wholly or partly from net revenue:

(A)  be issued to refund more than one series or issue of the outstanding bonds;

(B)  combine the pledges for the outstanding bonds for the security of the refunding bonds; and

(C)  be secured by other or additional revenue.

(c)  Bonds payable solely from net revenue may not be refunded into bonds secured by taxes unless the issuance of the bonds is authorized by a majority of the voters voting at an election held in the same manner as a bond election.

(d)  Refunding under this section may not impair the contract rights of the holders of any of the outstanding bonds that are not to be refunded.

(e)  Refunding bonds must:

(1)  be authorized by a board resolution or order;

(2)  be executed and mature as provided by this chapter for original bonds; and

(3)  bear interest at the same or a lower rate than that of the bonds refunded unless it is shown mathematically that a saving will result in the total amount of interest to be paid.

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

(g)  Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution or order authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB04172F.HTM)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER F. SPECIAL PURPOSE AREA

Sec. 5018.0301.  DEFINITION.  In this subchapter, "special purpose area" means the territory described by Section 2 of the Act enacting this subchapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 118 (S.B. [2175](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB02175F.HTM)), Sec. 1, eff. May 24, 2021.

Sec. 5018.0302.  REPORTING OF CARGO AND VESSEL MOVEMENTS. (a)  Waterborne commercial cargo and vessel movements originating in or departing from the special purpose area may be attributed as waterborne commercial cargo or vessel movements originating in or departing from the Port of Beaumont Navigation District of Jefferson County, Texas, for the purpose of reporting to the United States Army Corps of Engineers under applicable federal law.

(b)  Waterborne commercial cargo and vessel movements originating in or departing from the territory of the district not including the special purpose area may be attributed as waterborne commercial cargo or vessel movements originating in or departing from the district for the purpose of reporting to the United States Army Corps of Engineers under applicable federal law.

Added by Acts 2021, 87th Leg., R.S., Ch. 118 (S.B. [2175](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB02175F.HTM)), Sec. 1, eff. May 24, 2021.