

LOCAL GOVERNMENT CODE

TITLE 9. PUBLIC BUILDINGS AND GROUNDS

SUBTITLE A. MUNICIPAL PUBLIC BUILDINGS AND GROUNDS

CHAPTER 281. MUNICIPAL CIVIC CENTER AUTHORITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 281.001. SHORT TITLE. This chapter may be cited as the Civic Center Authority Act.

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

Sec. 281.002. DEFINITIONS. In this chapter:

(1) "Authority" means a civic center authority created under this chapter.

(2) "Board" means the board of directors of a civic center authority.

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

SUBCHAPTER B. CREATION OF AUTHORITIES

Sec. 281.011. CHARACTERISTICS. (a) An authority is a governmental agency, a body politic and corporate, and a political subdivision of the state.

(b) An authority may not impose taxes.

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

Sec. 281.012. COMPOSITION. (a) An authority may include the area of any county or part of a county, including municipalities and other political subdivisions.

(b) An authority may consist of noncontiguous tracts.

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

Sec. 281.013. PETITION. (a) To create an authority, a petition requesting the creation must be filed with the county judge of the county in which the proposed authority is located. The petition must be accompanied by a deposit of \$200.

(b) The deposit is to cover the costs of the notice required

by Section 281.014(c). If the deposit exceeds the cost of the notice, the difference shall be refunded.

(c) The petition must include:

(1) the signatures of a majority of the members of the governing body of at least:

(A) one municipality, if the county in which the proposed authority is located has only one municipality; or

(B) two municipalities, if the county in which the proposed authority is located has two or more municipalities;

(2) a description of the boundaries of the proposed authority;

(3) the names of the persons recommended for the first board of directors;

(4) a statement of the desirability of or need for the creation of the authority; and

(5) the name of the proposed authority.

(d) The boundaries of the proposed authority may be described in the petition by:

(1) metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area;

(2) natural or artificial boundaries or survey lines;
or

(3) if the proposed authority is composed entirely of municipalities, a statement that the authority is composed entirely of municipalities and a list of the municipalities in the proposed authority.

(e) The name of the proposed authority must consist of a word or phrase generally descriptive of the locale of the authority followed by the words "Civic Center Authority." The name may not be the same as the name of another authority in the same county.

(f) A copy of the petition shall be recorded in the county deed records.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1999, 76th Leg., ch. 111, Sec. 1, eff. Sept. 1, 1999.

Sec. 281.014. NOTICE. (a) When a petition is filed with the county judge, the judge shall set a date, time, and place for a

hearing on the petition by the judge.

(b) The date of the hearing must be within 20 days after the date the petition is filed.

(c) The county judge shall issue a notice of the date, time, and place of the hearing that informs all persons of their right to appear and contest the form and allegations of the petition and the desirability of or need for the creation of the proposed authority. Before the 10th day before the date of the hearing, the notice must be published at least one time in a newspaper having general circulation in the county.

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

Sec. 281.015. HEARING. (a) At the hearing, the county judge shall examine the petition to determine its sufficiency. The county judge may determine all issues raised regarding the sufficiency of the petition and the creation of the authority and may enter orders incidental to the issues.

(b) Any interested person may appear at the hearing, in person or by attorney, and offer testimony regarding the sufficiency of the petition and whether the creation of the authority is desirable or necessary.

(c) The county judge may adjourn the hearing from day to day.

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

Sec. 281.016. FINAL ORDER AND APPEAL. (a) The county judge shall grant the petition if the judge finds that the petition conforms to the requirements of Section [281.013](#) and that the creation of the authority is desirable or necessary. The judge by order shall declare the findings.

(b) If the county judge finds that the authority is neither desirable nor necessary, the judge by order shall deny the petition.

(c) Within 30 days after the date of the entry of the order, any person who signed the petition or who testified at the hearing may appeal the order to an appropriate district court.

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

SUBCHAPTER C. ADMINISTRATIVE PROVISIONS

Sec. 281.021. BOARD OF DIRECTORS. (a) An authority must be governed by a board of directors composed of 5, 7, 9, or 11 directors.

(b) A majority of the directors constitute a quorum and a concurrence of the majority is sufficient in all matters relating to the business of the authority.

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

Sec. 281.022. QUALIFICATIONS. A director must be at least 18 years old and a citizen of the state residing within the boundaries of the authority.

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

Sec. 281.023. TERMS OF OFFICE; APPOINTMENTS; VACANCIES.

(a) Each director is appointed for a term of office of two years.

(b) The term of office of the first board begins on the date the authority is created. The county judge shall appoint successor directors with the advice and consent of, and from among persons recommended by, all the municipalities within the authority that contract with the authority under this chapter.

(c) If a vacancy occurs on the board or in any office on the board, the board shall appoint a person to fill the vacancy for the unexpired term. However, if the number of directors at any time is less than a majority of the positions on the board because of the failure or refusal of one or more directors to qualify to serve, the death or incapacitation of one or more directors, or any other reason, on the petition of a resident of the authority the county judge shall appoint persons to fill the vacancies.

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

Sec. 281.024. BOND; OATHS OF OFFICE. (a) As soon as practicable after a director is appointed, the director shall execute a bond that is:

(1) in the amount of \$5,000;

(2) payable to the authority; and

(3) conditioned that the director will faithfully perform the director's duties.

(b) Each director shall take the oath of office prescribed by the constitution and a written oath that the director will not have an interest, directly or indirectly, in a contract with, or claim against, the authority except for a contract or claim expressly authorized by law or a warrant issued to the director as a fee of office.

(c) After a petition for the creation of an authority is granted, the first members of the board must execute their bonds and take the oaths. After the bonds are executed and the oaths are taken, the board shall meet and organize.

(d) The bond of a director on the first board must be approved by the county judge. The bond of a subsequent director must be approved by the board.

(e) The bond and oaths required by this section must be filed with the authority and the authority shall keep the bond and oaths in its records.

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

Sec. 281.025. OFFICERS. (a) After executing the bonds and taking the oaths, the directors shall elect a president, vice-president, secretary, and any other officers the board considers necessary.

(b) The president is the chief executive officer of the authority and shall preside at each meeting of the board.

(c) The vice-president shall act as president if the president is absent or disabled. The secretary shall act as president if both the president and the vice-president are absent or disabled.

(d) The secretary shall provide for the proper keeping of the books and records of the authority. The board may appoint a director, the general manager, or any other employee as assistant or deputy secretary to assist the secretary, and that person may certify the authenticity of any record of the authority.

(e) A director of a state or national bank may serve as the

authority's treasurer.

(f) The treasurer shall execute a bond, in an amount set by the board, conditioned that the treasurer will faithfully account for all money of which the treasurer assumes custody in the capacity of treasurer.

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

Sec. 281.026. BYLAWS. The board may adopt bylaws to govern:

- (1) the time and place of its meetings;
- (2) the manner of conducting its meetings;
- (3) the powers, duties, and responsibilities of its officers and employees;
- (4) the disbursement of funds by checks, drafts, and warrants;
- (5) the appointment and authority of director committees;
- (6) the keeping of records and accounts; and
- (7) other matters that the board considers appropriate.

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

Sec. 281.027. OFFICE AND MEETING PLACE. (a) The board shall designate, establish, and maintain an office and meeting place within the authority. The board may also establish a meeting place outside the authority.

(b) If the board establishes a meeting place outside the authority or changes the location of a meeting place established outside the authority, it shall file with the county clerk a copy of the order establishing or relocating the meeting place and shall publish the location in a newspaper of general circulation in the county in which the authority is located.

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

Sec. 281.028. MEETINGS; NOTICE. (a) The board shall hold regular meetings to conduct authority business and may hold special meetings as required by authority business.

(b) The board shall hold its meetings in one of its

designated meeting places.

(c) Any interested person may attend any meeting of the board.

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

Sec. 281.029. FEES OF OFFICE. A director is entitled to receive fees of office of not more than \$25 a day for each day of service necessary to the discharge of the director's duties, but may not receive more than \$100 for any calendar month regardless of the number of days of service during that month.

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

SUBCHAPTER D. POWERS AND DUTIES

Sec. 281.041. ORGANIZATIONAL EXPENSES. The board may pay costs necessarily incurred in the creation and organization of the authority, including the cost of investigating and making plans, an engineer's or architect's report, and other incidental expenses, and may reimburse any person for money advanced for those purposes. The payments may be made from money obtained from the sale of the first bonds issued by the authority.

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

Sec. 281.042. MANAGEMENT. The board shall control and manage the affairs of the authority.

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

Sec. 281.043. EMPLOYEES. (a) The board shall employ persons the board considers necessary to conduct the affairs of the authority, including engineers, attorneys, financial advisors, a general manager, bookkeepers, auditors, and secretaries. The board shall determine the term of office and compensation of the employees.

(b) A director may be employed as the general manager of the authority and is entitled to receive compensation in an amount fixed by the other directors. A director employed as general manager shall continue to perform the duties of director. If the

general manager is not a director, the general manager shall execute a fidelity bond payable to the authority in the amount of \$5,000, conditioned that the person will faithfully perform the duties of general manager.

(c) The board may remove an employee.

(d) The board may require an employee to execute a bond payable to the authority that is conditioned that the person will faithfully perform the duties of the employee.

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

Sec. 281.044. FACILITIES. (a) An authority may establish, acquire, lease as lessee or lessor, purchase, construct, improve, enlarge, equip, repair, operate, or maintain all or a designated part of:

(1) a public improvement such as a civic center, civic center building, auditorium, opera house, music hall, exhibition hall, coliseum, museum, library, recreational building or facility, or other public building or related facility; or

(2) a structure, parking area, or facility located at or in the immediate vicinity of the public improvement and to be used in connection with the public improvement for off-street parking or storage of motor vehicles or other conveyances.

(b) A lease made under Subsection (a) may contain any terms the board considers appropriate.

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

Sec. 281.045. DURATION OF CERTAIN LEASES. If an authority leases to or from any person all or part of any facilities constructed or acquired, or to be constructed or acquired, by the authority, the lease may not be for a term longer than 40 years.

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

Sec. 281.046. CONTRACTS. (a) An authority contracts in the name of the authority.

(b) An authority may contract with the United States, this state, or a political subdivision or governmental agency of the United States or this state, for furnishing all or a part of the

authority's services or facilities or for the joint ownership and operation of facilities, improvements, or equipment necessary to accomplish a purpose permitted by the authority.

(c) An authority may contract with any person in the performance of a purpose permitted by the authority. The contract must be on terms the board considers desirable, fair, and advantageous and may not be for a term longer than 40 years.

(d) A director with a financial interest in a contract shall disclose the interest to the other directors and may not vote on the acceptance of the contract or participate in discussion on the contract. If a director fails to disclose his interest in a contract, the contract is invalid.

(e) If, after a contract is awarded, an authority decides that additional work is needed or that the character or type of work or facilities should be changed, the board may authorize change orders to the contract if the increase in the total cost of the contract is not greater than 25 percent.

(f) The board may grant authority to an official or employee responsible for purchasing or for administering a contract to approve a change order that involves an increase or decrease of \$50,000 or less.

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

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 479 (H.B. 679), Sec. 3, eff. June 17, 2011.

Sec. 281.047. CONTRACTS OVER \$50,000. (a) This section applies to a contract that is for materials for, or construction of, facilities and that is for an amount greater than \$50,000.

(b) The board shall advertise the letting of a contract, including the general conditions, time, and place of the opening of the sealed bids. The board shall publish the notice once a week for two consecutive weeks in one or more newspapers published in the county. The first publication must be before the 14th day before the date the sealed bids are opened.

(c) A contract under this section may cover all facilities of the authority, or the various elements of the facilities may be

segregated for the purpose of receiving bids and awarding contracts. A contract may provide that the facilities will be constructed in stages over a period of years.

(d) A contract may provide for payment of a total sum that is the completed cost of the facilities or may be based on bids to cover the cost of units of the various elements entering into the work as estimated by the authority's architects or engineers, or a contract may be let and awarded in any other form and to any responsible person that, in the board's judgment, will be most advantageous to the authority and result in the best and most economical completion of the authority's proposed facilities.

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

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1266 (H.B. 987), Sec. 10, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1266 (H.B. 987), Sec. 11, eff. June 19, 2009.

Sec. 281.048. CONSTRUCTION BIDS; CONTRACTS; BONDS. (a) To bid on proposed construction work, a person must submit to the board a written sealed bid and a certified or cashier's check drawn on a responsible bank in the state or a bidder's bond for at least two percent of the total amount of the bid.

(b) The board shall open all the bids at the same time. The board may reject any or all bids.

(c) If the chosen bidder fails or refuses to enter into a proper contract with the authority or to furnish the bond required by Subsection (e), the bidder forfeits the amount of the check or bond that accompanied the bid.

(d) A contract for construction work must be in writing and signed by the board and the contractor. The authority shall keep the contract in its records and make the contract available for public inspection.

(e) A person to whom a contract is let must execute good and sufficient performance and payment bonds in accordance with Chapter 2253, Government Code.

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

by Acts 1995, 74th Leg., ch. 76, Sec. 5.95(17), eff. Sept. 1, 1995.

Sec. 281.049. FEES; RULES. (a) An authority may adopt and enforce necessary charges, fees, or rentals for providing facilities or services.

(b) An authority may adopt and enforce reasonable rules relating to its facilities.

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

Sec. 281.050. ACQUISITION OF LAND AND OTHER PROPERTY. (a) An authority may acquire land, materials, easements, rights-of-way, or other property considered necessary, incidental, or helpful to the accomplishment of a purpose stated in Section [281.044](#), including property considered necessary for the construction, improvement, extension, enlargement, operation, or maintenance of the authority's facilities. An authority may acquire the property by gift, grant, purchase, or condemnation.

(b) An authority may acquire fee simple title to, or an easement on, public or private land located in or out of the authority's boundaries. An authority may acquire title to, or an easement on, property that is not held in fee.

(c) An authority may lease property on terms the board considers advantageous to the authority.

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

Sec. 281.051. EMINENT DOMAIN. (a) An authority may acquire land, easements, or other property within its boundaries by condemnation. The authority may condemn the fee simple title or an easement. The board shall institute condemnation proceedings in the name of the authority and shall direct the proceedings.

(b) The manner in which an authority exercises the right of eminent domain is governed by Chapter [21](#), Property Code.

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

Sec. 281.052. SUITS. An authority may, through its directors, sue and be sued in any court of this state in the name of the authority. Service of process may be made by serving three

directors. Courts of this state shall take judicial notice of the establishment of an authority.

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

Sec. 281.053. COSTS, DEPOSITS, AND APPEAL BONDS. An authority is not required to give bond for appeal or for costs, or to deposit double the amount of an award, in a condemnation suit or other suit to which it is a party.

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

Sec. 281.054. COSTS OF RELOCATION. If the relocating, raising, rerouting, changing the grade, or altering the construction of a highway, railroad, electric transmission line, pipeline, or telephone or telegraph property is required by the authority's exercise of the power of eminent domain, power of relocation, or any other power, the required action shall be taken at the sole expense of the authority. "Sole expense" means the actual costs of the required action and of the provision of a comparable replacement that does not enhance the facility after deducting the net salvage value derived from the old facility.

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

Sec. 281.055. SURPLUS PROPERTY. (a) The board may order the sale of land or other property owned by the authority that the authority does not need. The sale may be public or private.

(b) Property owned by the authority that the authority does not need may be exchanged for other property.

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

Sec. 281.056. ADDITION OF MUNICIPALITIES. (a) To add a municipality to the authority, a petition signed by a majority of the members of the governing body of the municipality must be filed with the board.

(b) If the board determines that the addition of the municipality to the authority is desirable or necessary, the board shall enter an order adding the municipality to the authority and shall file a copy of the order in the county deed records.

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

Sec. 281.057. RECORDS. The preservation, microfilming, destruction, or other disposition of the records of the authority is subject to the requirements of Subtitle C, Title 6, Local Government Code, and rules adopted under that subtitle.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1248, Sec. 59, eff. Sept. 1, 1989.

Sec. 281.058. SURETY BOND PREMIUMS. The board may pay the premiums on surety bonds required of officials or employees of the authority out of available funds of the authority, including proceeds from the sale of bonds.

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

Sec. 281.059. DEPOSITORY. The board shall designate by order or resolution one or more banks in or out of the authority's boundaries to serve as the depository for the authority's funds. All funds of the authority shall be deposited in its depository unless an order or resolution authorizing the issuance of the authority's bonds requires a different disposition. To the extent that funds in a depository bank are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided for the security of county funds.

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

Sec. 281.060. INVESTMENTS. The board may invest and reinvest authority funds in direct or indirect obligations of the United States, an agency of the United States, the State of Texas, or a county, municipality, school district, or other political subdivision of the state. Funds of the authority may be placed in certificates of deposit of state or national banks or savings and loan associations in the state if the certificates of deposit are secured in the manner provided for the security of county funds.

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

Sec. 281.061. FISCAL YEAR; AUDIT. (a) The fiscal year of

an authority is a calendar year, unless it is changed by the board.

(b) An authority shall keep a complete system of accounts. An independent certified public accountant or a firm of independent certified public accountants shall prepare an audit of an authority's affairs each year. A signed copy of the audit report shall be delivered to each member of the board within 120 days after the last day of the fiscal year. A copy of the audit shall be kept on file at the authority office and, as a public record, is open for inspection by any interested person during normal office hours.

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

Sec. 281.062. SUPPLIES; SEAL. (a) The board may purchase materials, supplies, equipment, vehicles, and machinery needed by the authority.

(b) The board shall adopt a seal for the authority.

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

SUBCHAPTER E. REVENUE BONDS

Sec. 281.071. ISSUANCE OF BONDS. (a) An authority may issue revenue bonds for any purpose set forth in Subchapters A through E when the issuance is authorized by a resolution adopted by the board. The bonds must be secured by a pledge of, and be payable from, all or a designated part of the authority's revenues from its facilities or any other source, including contract and lease proceeds.

(b) The bonds may mature serially or in any other manner. The bonds may not mature later than 40 years after the date of the bonds.

(c) The bonds shall bear interest at a rate that does not exceed the maximum interest rate authorized by Chapter 1204, Government Code.

(d) The bonds and the appurtenant interest coupons, if any, are investment securities under Chapter 8, Business & Commerce Code.

(e) As provided by the board, the bonds and interest coupons:

(1) may be issued registrable as to principal or as to both principal and interest; and

(2) may be made redeemable before maturity, at the option of the board, or may contain a mandatory redemption provision.

(f) In the resolution authorizing the issuance of the bonds, the board shall designate the form and denominations of the bonds; the manner, terms, conditions, and details of issuance; and the manner of signing and executing the bonds.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.301, eff. Sept. 1, 2001.

Sec. 281.072. ADDITIONAL SECURITY. (a) At the board's discretion, the bonds of an authority may be additionally secured by a deed of trust or mortgage lien on part or all of the physical properties of the authority, and franchises, easements, leases, and contracts and rights relating to those properties. The trustee may operate the properties, sell the properties for payment of the bonds or interest on the bonds, and exercise all other powers and authority for the further security of the bonds.

(b) The trust indenture, regardless of the existence of the deed of trust or mortgage lien on the properties, may:

(1) contain provisions prescribed by the board for the security of the bonds and as preservation of the trust estate and for the modification or amendment of those provisions;

(2) condition the right to spend authority money or sell authority property on the approval of a registered professional engineer or architect and provide for the manner of selecting the engineer or architect; and

(3) provide for the investment of funds of the authority.

(c) A purchaser under a sale under a deed of trust or mortgage lien is the absolute owner of the properties, facilities, and rights purchased and may maintain and operate the properties.

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

Sec. 281.073. BOND PROVISIONS. (a) In a resolution

authorizing the issuance of bonds under this chapter, including refunding bonds, the board may:

(1) provide for the flow of funds and the establishment and maintenance of interest and sinking funds, reserve funds, and other funds;

(2) make additional covenants that the board considers appropriate with respect to the bonds, the pledged revenues, and the operation and maintenance of the facilities of which the revenues are pledged, including provisions for the operation or leasing of the facilities and the use or pledge of money derived from the operation of the facilities, contracts, and leases;

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

(4) reserve the right to issue, on conditions set forth in the resolution, additional bonds to be secured by a pledge of, and payable from, the revenues on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued; and

(5) state other provisions and covenants that are not prohibited by the constitution of this state or by this chapter.

(b) The board may adopt and provide for any other proceeding or instrument necessary or convenient in the issuance of authority bonds.

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

Sec. 281.074. SALE OF BONDS. After bonds are issued, the board shall sell the bonds on the best terms and for the best possible price.

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

Sec. 281.075. APPROVAL; REGISTRATION. (a) An authority shall submit the bonds it issues to the attorney general for examination. If the attorney general finds that the bonds are authorized in accordance with law, the attorney general shall approve the bonds and the comptroller of public accounts shall register them.

(b) Bonds that are approved and registered under Subsection (a) are incontestable in a court or other forum and are valid and

binding obligations in accordance with their terms.

(c) If the bonds recite that the security for the bonds includes a pledge of the proceeds of a contract or a lease to which the authority is a party, a copy of the contract or lease and of the proceedings authorizing the contract or lease may be submitted to the attorney general with the bond records. If a contract or lease and a record of the corresponding proceedings is submitted to the attorney general, the approval of the bonds by the attorney general is also an approval of the contract or lease and the contract or lease is incontestable.

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

Sec. 281.076. BOND PROCEEDS. The board may appropriate or set aside from the proceeds from the sale of bonds an amount for the payment of interest, administrative and operating expenses expected to accrue during the period of construction as provided in the bond resolutions, and expenses incurred and that will be incurred in the issuance, sale, and delivery of the bonds.

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

Sec. 281.077. REFUND OF BONDS. (a) By resolutions adopted by the board, an authority may issue bonds to refund all or any outstanding bonds, including matured but unpaid interest coupons. Refunding bonds may mature serially or in any other manner. The bonds may not mature later than 40 years after the date of the bonds. The bonds shall bear interest at a rate that does not exceed the maximum interest rate authorized by Chapter 1204, Government Code.

(b) Refunding bonds may be sold in accordance with Subsection (c) or they may be made payable from the same source as the bonds being refunded or from any additional source. The bonds must be approved by the attorney general in the same manner as original bonds and must be registered by the comptroller of public accounts on the surrender and cancellation of the bonds to be refunded.

(c) The resolution authorizing the issuance of refunding bonds may provide that the bonds be sold and the proceeds deposited

where the underlying bonds are payable. If the amount deposited is sufficient to pay the interest and principal on the underlying bonds to their maturity dates, or to their option dates if the bonds have been called for payment before maturity, the authority may issue the refunding bonds before the cancellation of the bonds being refunded, and the comptroller of public accounts shall register the bonds without the surrender and cancellation of the underlying bonds.

(d) Refunding may be accomplished in one or more installment deliveries. Refunding bonds and the appurtenant interest coupons are investment securities under Chapter 8, Business & Commerce Code, and must be issued as provided in this chapter.

(e) In lieu of the method set forth in this section, an authority may refund bonds as provided by general law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.302, eff. Sept. 1, 2001.

Sec. 281.078. BONDS AS INVESTMENTS; SECURITY. (a) Bonds issued by an authority are legal and authorized investments for a bank, a trust company, a savings and loan association, an insurance company, a fiduciary, or a trustee and for interest or sinking funds or other public funds of the state or of an agency, subdivision, or instrumentality of the state, including a county, municipality, school district, or other district, public agency, or body politic.

(b) Bonds issued by an authority may be security for deposits of public funds of the state or of an agency, subdivision, or instrumentality of the state, including a county, municipality, school district, or other district, public agency, or body politic, to the extent of the market value of the bonds and appurtenant unmatured interest coupons.

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

Sec. 281.079. PAID BONDS AND COUPONS. When a bond, interest coupon, note, or warrant of the authority is paid, it shall be delivered to the authority or destroyed. If a bond, coupon, note, or warrant is destroyed, evidence of the destruction shall be furnished to the board.

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

SUBCHAPTER F. CONTRACTS WITH CIVIC CENTER AUTHORITIES

Sec. 281.091. AUTHORIZATION; PURPOSES. On terms a municipality considers desirable, fair, and advantageous and with the approval of a majority of the governing body, a municipality may make a contract with a civic center authority under which the authority, for the benefit of the municipality, exercises its authority under Section 281.044. Under the contract, the authority may provide to the municipality all or part of its authorized services and facilities, in or out of the municipality's boundaries. The term of the contract may not be longer than 40 years.

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

Sec. 281.092. PAYMENTS. (a) A municipality shall pay the amounts prescribed by the contract from any available funds, including property taxes.

(b) To pledge property taxes as part or all of the required payments under the contract, before it enters into a contract with an authority a municipality must obtain voter approval at an election conducted substantially according to the applicable procedures in Chapter 1251, Government Code. Each qualified voter in the municipality is entitled to vote in the election. If the voters authorize the payments from property taxes, the contract may provide that the payments are payable from and are obligations against only the taxing power of the municipality or may provide that the payments are payable from taxes and other funds and revenues specified in the contract. After the election and concurrently with, or prior to, making the contract, the municipality shall provide for the annual assessment and collection of an amount that is sufficient to make the contract payments and to create a sinking fund of at least two percent.

(c) An authority or a holder of authority bonds may not demand payment of the municipality's obligation out of funds raised by taxation if the municipality has not complied with Subsection

(b).

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.303, eff. Sept. 1, 2001.

Sec. 281.093. CONFLICT WITH MUNICIPAL CHARTER. If this subchapter conflicts with the charter of a home-rule municipality contracting under this subchapter, this subchapter controls.

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