

GOVERNMENT CODE

CHAPTER 1506. BONDS FOR MUNICIPAL PARKING AND TRANSPORTATION FACILITIES

SUBCHAPTER A. REVENUE BONDS FOR PARKING FACILITIES IN HOME-RULE MUNICIPALITIES WITH POPULATION OF LESS THAN 60,000

Sec. 1506.001. APPLICABILITY OF SUBCHAPTER. This Subchapter applies only to a home-rule municipality that:

- (1) has a population of less than 60,000; and
- (2) on January 1, 1949, owned and operated a public parking lot.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.002. AUTHORITY TO ISSUE REVENUE BONDS. The governing body of a municipality by ordinance may issue revenue bonds to construct a building or other permanent improvement on a parking lot owned and operated by the municipality on January 1, 1949, for public parking or storage of motor vehicles.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.003. PLEDGE OF REVENUE. (a) In this section, "net revenue" means gross revenue minus all operation and maintenance expenses.

(b) Bonds issued under this subchapter may be secured only by a pledge of and be payable from the net revenue from the building or other improvement for which the bonds are issued and the parking lot on which the building or improvement is located.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.004. BONDS NOT PAYABLE FROM TAXES. (a) A bond issued under this subchapter:

- (1) is not a debt of the municipality;
- (2) may be a charge only on the revenue pledged for the payment of the bond; and
- (3) may not be included in determining the power of the municipality to issue bonds payable from taxation.

(b) A bond issued under this subchapter must contain on its face the following provision: "The holder of this obligation is not entitled to demand payment of this obligation out of any money raised by taxation."

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.005. ELECTION. A municipality may issue bonds under this subchapter without an election, but the governing body of the municipality may hold an election in compliance with Chapter 1251 to determine whether a majority of the qualified voters of the municipality voting in the election approve the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.006. MATURITY. A bond issued under this subchapter must:

- (1) be payable serially; and
- (2) mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.007. SIGNATURES. A bond issued under this subchapter must be signed by the mayor of the municipality and countersigned by the secretary of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.008. EXEMPTION FROM TAXATION. A bond issued under this subchapter is exempt from taxation by this state or by a municipal corporation or any other political subdivision of this state.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.009. PERSONNEL; OPERATION AND MAINTENANCE EXPENSES. A municipality may employ personnel necessary to operate a building or other improvement financed under this subchapter. The costs of operation and maintenance of the building or other improvement and the parking lot on which the building or other improvement is located are a first lien against the income from the operation of the facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.010. FEES FOR SERVICES; RESERVES. (a) A municipality may establish and enforce fees for the use of a building or other improvement financed under this subchapter and the parking lot on which the building or other improvement is located.

(b) While the principal of or interest on a bond issued under this subchapter is outstanding, the municipality shall charge the fees in amounts at least sufficient to:

- (1) pay all operating and maintenance expenses in

connection with the building or other improvement and the parking lot;

(2) pay the principal of and interest on the outstanding bonds as the principal matures and as the interest accrues; and

(3) establish and maintain any reserves prescribed in the ordinance authorizing the issuance of the bonds.

(c) Fees charged under this section must be equal and uniform within classes defined by the governing body of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.011. ADDITIONAL BONDS. While any bonds issued under this subchapter are outstanding, the municipality may not issue additional bonds of equal dignity against the pledged revenue, except to the extent and in the manner expressly permitted in the ordinance authorizing the issuance of the outstanding bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER B. BONDS FOR PARKING FACILITIES IN HOME-RULE MUNICIPALITIES

Sec. 1506.051. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a home-rule municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.052. AUTHORITY FOR PARKING FACILITIES. (a) A municipality may establish, acquire, lease as lessor or lessee, construct, improve, enlarge, equip, repair, operate, or maintain a structure, parking area, parking garage, or facility for off-street parking or storage of motor vehicles or other conveyances.

(b) The municipality may:

(1) regulate the use of a facility authorized by Subsection (a); and

(2) establish charges for use of the facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.053. AUTHORITY TO ESTABLISH IMPROVEMENT DISTRICTS AND ISSUE BONDS. The governing body of a municipality may:

(1) designate by clearly defined boundaries one or more improvement districts within the municipality; and

(2) borrow money on the credit of the municipality by issuing bonds as provided by this subchapter to acquire or construct a facility authorized by Section 1506.052.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.054. ELECTION. (a) A municipality may not issue bonds to acquire or construct a facility in an improvement district under this subchapter unless a majority of the qualified voters of the improvement district voting at an election held for that purpose approve the issuance of the bonds.

(b) Each proposition to issue bonds in an improvement district under this subchapter must distinctly specify the purpose for which the bonds are to be issued and the facility to be acquired or constructed.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.055. FORM OF BOND. A bond issued under this subchapter must specify the purpose for which it is issued.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.056. SALE OF BONDS. A municipality may sell bonds issued under this subchapter in lots as the governing body of the municipality directs.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.057. INTEREST AND SINKING FUND TAX. (a) A municipality may not issue bonds under this subchapter creating a debt against the municipality or an improvement district unless the municipality provides for the imposition of an annual ad valorem tax on property in the improvement district at a rate sufficient to:

(1) pay the interest on the bonds; and

(2) create a sinking fund of at least two percent on the bonds.

(b) The rate of the tax may not exceed 50 cents on the \$100 valuation of property taxable by the municipality.

(c) The tax is in addition to other taxes imposed by the municipality or authorized to be imposed by the municipal charter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.058. PROCEEDS OF TAX. The municipal treasurer shall keep money from the tax imposed under Section 1506.057 in a fund separate from other funds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.059. INVESTMENT OF SINKING FUND. The sinking fund

for bonds issued under this subchapter may be invested in securities that are permitted by law for the investment of sinking funds for other municipal bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.060. EMINENT DOMAIN. A municipality may exercise the power of eminent domain to acquire the fee simple title to property to provide a site for a facility authorized by Section 1506.052.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.061. RELOCATION OR ALTERATION EXPENSE. If a municipality, in the exercise of a power under this subchapter, including the power of relocation, makes necessary the relocation or rerouting of, or alteration of the construction of, a highway, railroad, electric transmission line, telegraph or telephone property or facility, or pipeline, the relocation or rerouting or alteration of construction must be accomplished at the sole expense of the municipality. In this section, "sole expense" means the actual cost of the relocation or rerouting or alteration of construction to provide comparable replacement without enhancement of the facility, after deduction of the net salvage value derived from the old facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER C. REVENUE BONDS FOR PARKING IMPROVEMENTS IN CERTAIN
COASTAL MUNICIPALITIES

Sec. 1506.101. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality that:

(1) is located on the Gulf of Mexico or on a channel, canal, bay, or inlet connected to the Gulf of Mexico; and

(2) has a population of:

(A) more than 56,000 and less than 67,000; or

(B) more than 113,000 and less than 150,000.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Amended by Acts 2001, 77th Leg., ch. 669, Sec. 29, eff. Sept. 1, 2001.

Sec. 1506.102. DEFINITION. In this subchapter, "parking improvement" means a permanent public improvement consisting of a structure, parking area, or facility for off-street parking or storage of motor vehicles or other conveyances.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.103. AUTHORITY FOR PARKING IMPROVEMENTS. A municipality may establish, acquire, lease as lessor or lessee, construct, improve, enlarge, equip, repair, operate, or maintain a parking improvement.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.104. AUTHORITY TO ISSUE REVENUE BONDS. The governing body of a municipality by ordinance may issue revenue bonds to provide all or part of the money to establish, acquire, lease, construct, improve, enlarge, equip, or repair a parking improvement.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.105. PLEDGE OF REVENUE. (a) Bonds issued under this subchapter must be secured by a pledge of and be payable from all or a designated part of the revenue from the parking improvement for which the bonds are issued, as provided in the ordinance authorizing the issuance of the bonds.

(b) The pledge securing the bonds is inferior to any previous pledge of the revenue for the payment of revenue bonds or revenue refunding bonds that are outstanding.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.106. LIEN ON PARKING IMPROVEMENT. Subject to any limitation contained in any previous pledge, the governing body of a municipality may, in addition to pledging the revenue from a parking improvement, give a lien on all or part of the physical property acquired with the proceeds from the sale of bonds issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.107. BONDS NOT PAYABLE FROM TAXES. The owner or holder of a bond issued under this subchapter is not entitled to demand payment of the principal of or interest on the bond from money raised by taxation.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.108. CONTENTS OF ORDINANCE AUTHORIZING BONDS. (a) The ordinance authorizing the issuance of bonds under this subchapter may provide for the flow of funds and the establishment and maintenance of an interest and sinking fund, reserve fund, or

other fund.

(b) The ordinance may:

(1) prohibit the issuance of additional bonds or other obligations payable from the pledged revenue; or

(2) reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to the conditions prescribed by the ordinance.

(c) The ordinance may contain any other provision or covenant, including a covenant with respect to the bonds, the pledged revenue, or the operation and maintenance of the parking improvement the revenue of which is pledged. The ordinance may provide for the operation or lease, as lessor or lessee, of all or part of the parking improvement and the use or pledge of money derived from operation contracts and leases.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.109. ADOPTION AND EXECUTION OF DOCUMENTS. The municipality may adopt and have executed any other proceeding or instrument necessary or convenient to the issuance of bonds under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.110. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.111. SIGNATURES. A bond issued under this subchapter must be signed by the mayor of the municipality and countersigned by the secretary or clerk of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.112. SALE OF BONDS. A municipality may sell bonds issued under this subchapter under the terms determined by the governing body of the municipality to be the most advantageous and reasonably obtainable.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.113. INVESTMENT OF BOND PROCEEDS AND FUNDS. (a) The bond proceeds, until they are needed to implement the purpose for which the bonds were issued, may be invested in direct obligations of the United States, placed on time deposit, or both.

(b) Money in an interest and sinking fund, reserve fund, or any other fund established or provided for in the bond ordinance may be invested in the manner and in the securities as provided in the bond ordinance.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.114. CHARGES FOR SERVICES. The governing body of a municipality shall impose and collect charges for services provided in connection with a parking improvement the revenue of which is pledged to secure bonds issued under this subchapter in amounts at least sufficient to comply with each covenant or provision in the ordinance authorizing the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.115. REFUNDING BONDS. (a) The governing body of a municipality by ordinance may issue revenue refunding bonds to refund bonds, including revenue refunding bonds, issued under this subchapter.

(b) Refunding bonds issued under this section must be executed and mature as provided by this subchapter for original bonds.

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

(d) The comptroller shall register refunding bonds without the surrender and cancellation of the bonds to be refunded if the ordinance authorizing the issuance of the refunding bonds requires the obligation to be sold and the proceeds from the sale to be deposited in a place where the bonds to be refunded are payable.

(e) Refunding bonds to which Subsection (d) applies may be issued in an amount sufficient to pay:

(1) the principal of the bonds to be refunded; and

(2) the interest on the bonds to be refunded to the option or maturity date of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.116. CONFLICT OR INCONSISTENCY WITH MUNICIPAL CHARTER. To the extent of a conflict or inconsistency between this subchapter and a municipal charter, this subchapter controls.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER D. REVENUE BONDS FOR PARKING AND TRANSPORTATION

FACILITIES IN MUNICIPALITIES WITH POPULATION OF MORE THAN 650,000
Sec. 1506.151. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality with a population of more than 1.1 million.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.
Amended by Acts 2001, 77th Leg., ch. 669, Sec. 30, eff. Sept. 1, 2001.

Sec. 1506.152. AUTHORITY FOR PARKING AND TRANSPORTATION FACILITIES. (a) A municipality may acquire, lease as lessor or lessee, construct, improve, enlarge, equip, and operate:

(1) an off-street parking facility; or

(2) a terminal or station and related properties and facilities for use by:

(A) passengers, commuters, travelers, shippers, and other members of the public; and

(B) companies or individuals engaged in the business of transporting the public or freight by bus, truck, or rail.

(b) A municipality may create an off-street parking system by combining one or more parking facilities established under Subsection (a) with one or more other parking facilities previously owned by the municipality or acquired under a law other than this subchapter that authorizes the municipality to own and operate parking facilities, whether or not the other facility or facilities are operated in connection with any other municipally owned facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.153. CONTRACTS AND LEASES; JOINT DEVELOPMENT. (a) A municipality may contract with any person to perform any function related to a facility described by Section 1506.152(a).

(b) A municipality may lease a facility or other property described by Section 1506.152(a) to any person on the terms approved by the governing body of the municipality, including the amounts of rental, revenue, and payments and the period of years.

(c) A facility or other property described by Section 1506.152(a) may be developed with another public or private development under an agreement with the owner of the development on the terms approved by the municipality. The municipality may include as a part of an agreement the provisions the municipality determines are appropriate for the use, lease, or sale of any part of the subsurface, or airspace above the surface, of the municipality's property that the municipality determines is not necessary for the purposes of the facility or other property.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.154. AUTHORITY TO ISSUE REVENUE BONDS. (a) The governing body of a municipality by ordinance may issue revenue bonds for a purpose authorized by Section 1506.152(a).

(b) A municipality that proposes to create an off-street parking system under Section 1506.152(b) may by ordinance issue bonds for the purposes of creating, extending, or improving the system to the same extent otherwise provided by this subchapter for bonds issued for a single parking facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.155. PLEDGE OF REVENUE. (a) A municipality may pledge all or part of the revenue, income, or receipts from the charges authorized by Section 1506.161 to the payment of bonds issued under Section 1506.154(a), including principal, interest, and any other amounts required or permitted in connection with the bonds.

(b) A municipality may pledge to the payment of bonds issued under Section 1506.154(b) all or part of the revenue, income, or receipts from:

(1) the ownership or operation of any facility included in the municipality's parking system established under Section 1506.152(b); or

(2) parking meters on or adjacent to the public streets of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.156. ADDITIONAL SECURITY. (a) Bonds issued under this subchapter may be additionally secured by:

(1) an encumbrance on any real property relating to a facility authorized by this subchapter owned or to be acquired by the municipality;

(2) an encumbrance on any personal property

appurtenant to that real property; or

(3) a pledge of any portion of a grant, donation, revenue, or income received or to be received from the United States or any other public or private source.

(b) The governing body of the municipality may authorize the execution of a trust indenture, mortgage, deed of trust, or other instrument as evidence of the encumbrance.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.157. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.158. ADDITIONAL BONDS. The ordinance authorizing the issuance of bonds under this subchapter may provide for the subsequent issuance of additional parity bonds or subordinate lien bonds under terms specified in the ordinance.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.159. SALE OF BONDS. A municipality may sell bonds issued under this subchapter in the manner and under the terms provided by the ordinance authorizing the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.160. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS. (a) If bonds issued under this subchapter state that they are secured by a pledge of revenue or rents from a contract, including a lease contract, a copy of the contract and the proceedings related to it must be submitted to the attorney general.

(b) If the attorney general finds that the bonds have been authorized and the contract has been made in accordance with law, the attorney general shall approve the contract.

(c) After the bonds are approved and registered as provided by Chapter 1202 and the contract is approved as provided by Subsection (b), the contract is incontestable in a court or other forum for any reason and is a valid and binding obligation for all purposes in accordance with its terms.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.161. CHARGES. (a) The governing body of a municipality may impose and collect charges for the use or availability of a facility or other property described by Section 1506.152(a) in the amounts and manner determined by the governing body.

(b) A municipality shall impose pledged charges in amounts that will be at least sufficient, with any other pledged resources, to provide for the payment of:

(1) the principal of, interest on, and any other amounts required in connection with the bonds to which the charges are pledged; and

(2) to the extent required by the ordinance authorizing the issuance of the bonds:

(A) expenses incurred in connection with the bonds; and

(B) operation, maintenance, and other expenses incurred in connection with the facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.162. REFUNDING BONDS. (a) A municipality may refund or otherwise refinance bonds issued under this subchapter by issuing refunding bonds under any terms provided by ordinance of the governing body of the municipality.

(b) All appropriate provisions of this subchapter apply to the refunding bonds. The refunding bonds shall be issued in the manner provided by this subchapter for other bonds.

(c) The refunding bonds may be sold and delivered in amounts sufficient to pay the principal of and interest and any redemption premium on the bonds to be refunded, at maturity or on any redemption date.

(d) The refunding bonds may be issued to be exchanged for the bonds being refunded by them. In that case, the comptroller shall register the refunding bonds and deliver them to the holder of the bonds being refunded as provided by the ordinance authorizing the refunding bonds. The exchange may be made in one delivery or in installment deliveries.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.163. PUBLIC PURPOSE. The acquisition, construction, improvement, enlargement, equipment, operation, and maintenance of a facility or other property described by Section 1506.152(a) is a public purpose and proper municipal function.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1506.164. CONFLICT OR INCONSISTENCY WITH OTHER LAW. (a) When bonds are issued under this subchapter, to the extent of any conflict or inconsistency between this subchapter and another law, this subchapter controls.

(b) This subchapter is cumulative of all other law on the subject, but this subchapter is wholly sufficient authority within itself for the issuance of bonds and the performance of the other acts and procedures authorized by this subchapter without reference to any other law or any restrictions or limitations contained in that law, except as specifically provided by this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Amended by Acts 1999, 76th Leg., ch. 1064, Sec. 23, eff. Sept. 1, 1999.