

GOVERNMENT CODE
CHAPTER 1508. OBLIGATIONS FOR MUNICIPAL PARKS, RECREATIONAL
FACILITIES, AND AIRPORTS
SUBCHAPTER A. OBLIGATIONS FOR PARKS, RECREATIONAL FACILITIES, AND
AIRPORTS

Sec. 1508.001. AUTHORITY FOR PARKS, RECREATIONAL FACILITIES,
AND AIRPORTS. (a) A municipality may:

- (1) construct, purchase, or encumber:
 - (A) a park, swimming pool, golf course, golf course clubhouse, or ballpark;
 - (B) a fairground or an exposition building;
 - (C) an airport; or
 - (D) land on which a facility described by Paragraphs (A)-(C) is located; or
- (2) encumber anything acquired or to be acquired that relates to a facility or land constructed or purchased under Subdivision (1).

(b) A municipality may secure the payment of funds to construct, purchase, or equip a facility or land described by Subsection (a)(1).

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

Sec. 1508.002. AUTHORITY TO ISSUE BONDS, NOTES, AND WARRANTS. A municipality may issue bonds, notes, or warrants to provide the money to construct or purchase a facility or land described by Section 1508.001.

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

Sec. 1508.003. PLEDGE OF INCOME. A municipality may pledge the income from a facility or land described by Section 1508.001 to the payment of obligations issued under this subchapter.

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

Sec. 1508.004. AUTHORITY TO GRANT FRANCHISE. As additional security for an obligation described by Section 1508.002, a municipality may, under the terms of the encumbrance, grant to the purchaser under sale or foreclosure a franchise to operate the facility or land for a term not to exceed 20 years from the date of purchase, subject to all laws regulating same then in force.

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

Sec. 1508.005. OBLIGATIONS NOT DEBT OF MUNICIPALITY. An obligation issued under this subchapter:

- (1) is not a debt of the municipality;
- (2) may be a charge only on the facility or land pledged for the payment of the obligation; and
- (3) may not be included in determining the power of the municipality to issue bonds for any purpose authorized by law.

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

Sec. 1508.006. ELECTION. (a) Unless authorized at an election by a majority vote of the qualified voters of the municipality, a municipality may not:

- (1) encumber a facility or land described by Section 1508.001 for more than \$5,000 except:

- (A) for purchase money;
 - (B) for funds to construct and equip the facility; or

- (C) to refund existing debt that was authorized by law; or

- (2) sell a facility or land described by Section 1508.001.

(b) The governing body of the municipality shall hold an election under this section in the manner provided for other bond elections in the municipality.

(c) If approved by a majority vote of the qualified voters at an election held for that purpose before November 14, 1935, an election is not required to encumber:

- (1) a golf course or golf course clubhouse;
- (2) a fairground or an exposition building;
- (3) an airport; or
- (4) land for a facility described by Subdivisions (1)-(3).

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

Sec. 1508.007. RECORDS. The mayor of a municipality that has a facility or land described by Section 1508.001 shall establish and maintain a complete system of records that:

- (1) show each free service provided in connection with the facility or land and the value of the service; and
- (2) show separately the amounts spent and amounts set

aside for operation, salaries, labor, materials, repairs, maintenance, depreciation, replacements, extensions, interest, and the creation of a sinking fund to pay the bonds or debt.

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

Sec. 1508.008. ANNUAL REPORT. (a) Not later than February 1 of each year, the superintendent or manager of a facility or land described by Section 1508.001 shall file with the mayor of the municipality a detailed report of the operation of the facility or land for the year ending the preceding January 1.

(b) The report must show the total amount of money collected and the balance due, and the total disbursements made and the amounts remaining unpaid, resulting from the operation of the facility or land during that year.

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

Sec. 1508.009. OFFENSE. (a) A mayor commits an offense if the mayor fails to:

(1) establish the system of records required by Section 1508.007 before the 91st day after the date the construction or purchase of the facility or land is completed; or

(2) maintain the system of records required by Section 1508.007.

(b) A superintendent or manager of a facility or land described by Section 1508.001 commits an offense if the superintendent or manager fails to file a report required by Section 1508.008.

(c) An offense under this section is a misdemeanor punishable by a fine of not less than \$100 or more than \$1,000.

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

Sec. 1508.010. CIVIL ENFORCEMENT. A taxpayer who resides in the municipality or a holder of an obligation issued under this subchapter and secured by the encumbered revenue from a facility or land described by Section 1508.001 is entitled to enforce this subchapter by appropriate civil action in a district court in the county in which the municipality is located.

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

SUBCHAPTER B. REVENUE BONDS FOR SWIMMING POOLS

Sec. 1508.051. AUTHORITY FOR SWIMMING POOLS. A municipality may:

(1) purchase, construct, improve, enlarge, or repair a municipal swimming pool; or

(2) encumber:

(A) a municipal swimming pool or anything acquired that relates to the pool; or

(B) the gross income and revenue from a municipal pool.

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

Sec. 1508.052. AUTHORITY TO ISSUE REVENUE BONDS. A municipality may issue revenue bonds to purchase, construct, improve, enlarge, or repair a municipal swimming pool.

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

Sec. 1508.053. ISSUANCE OF BONDS. Except as provided by this subchapter, a municipality shall issue bonds for a purpose described by Section 1508.052, including additional bonds and refunding bonds, in the manner provided by Subchapter B, Chapter 1502.

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

Sec. 1508.054. BONDS NOT DEBT OF MUNICIPALITY. A bond issued under this subchapter:

(1) is not a debt of the municipality;

(2) may be a charge only on the property or income pledged for the payment of the bond; and

(3) may not be included in determining the power of the municipality to issue bonds for any other purpose authorized by law.

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

Sec. 1508.055. EFFECT ON OTHER LAW. This subchapter does not affect any other law relating to the issuance of revenue bonds by a municipality, including Subchapter B, Chapter 1502.

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

SUBCHAPTER C. OBLIGATIONS FOR HEALTH AND RECREATIONAL FACILITIES IN MUNICIPALITIES WITH POPULATION OF 5,000 OR MORE

Sec. 1508.101. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality with a population of 5,000 or more.

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

Amended by Acts 2003, 78th Leg., ch. 711, Sec. 1, eff. June 20, 2003.

Sec. 1508.102. AUTHORITY FOR CERTAIN HEALTH OR RECREATIONAL FACILITIES. (a) A municipality may acquire, encumber, construct, maintain, operate, repair, or remodel:

(1) a health and recreational facility, park, playground, hotel, bathhouse, or swimming pool or facility; or

(2) an installation or establishment necessary or desirable as a part of a facility described by Subdivision (1).

(b) A municipality may not encumber under this section a project acquired on or before November 14, 1935.

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

Sec. 1508.103. AUTHORITY TO ISSUE BONDS, NOTES, AND WARRANTS. A municipality may issue bonds, notes, or warrants to provide money for an acquisition or an activity authorized by Section 1508.102.

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

Sec. 1508.104. PLEDGE OF INCOME. A municipality may pledge the income from a project described by Section 1508.102 to the payment of an obligation issued under this subchapter.

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

Sec. 1508.105. MORTGAGE. A municipality may secure the payment of funds for a purchase under this subchapter with an instrument of pledge or mortgage as desired by the municipality.

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

Sec. 1508.106. OBLIGATION NOT PAYABLE FROM TAXES. (a) An obligation issued under this subchapter:

(1) is not a debt of the municipality;

(2) may be a charge only on the property and revenue encumbered; and

(3) may not be included in determining the power of the municipality to issue bonds for any purpose authorized by law.

(b) A contract, bond, warrant, or note issued or executed under this subchapter must contain 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. 1508.107. APPLICATION OF OTHER LAW. The provisions of Chapter 252, Local Government Code, regarding notice, competitive bids, and the right to referendum do not apply to a municipality issuing revenue bonds under this subchapter.

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

Sec. 1508.108. OPERATING EXPENSES AS FIRST LIEN. If the income from a project described by Section 1508.102 is encumbered under this subchapter, each expense of operation and maintenance of the project, including all salaries, labor, materials, interest, repairs, and extensions necessary to maintain the project, and each proper item of expense, is a first lien and charge against the income.

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

Sec. 1508.109. RENTS AND CONCESSION CHARGES. (a) The governing body that manages and controls a project under Section 1508.111 shall impose and collect rents and concession charges for the use of the project in an amount sufficient to pay:

(1) all operating and maintenance expenses, depreciation, replacements, salaries, and interest charges;

(2) for an interest and sinking fund sufficient to pay any bonds issued to purchase, construct, maintain, or improve the project; and

(3) any outstanding debt against the project.

(b) The governing body may not allow any free use of or free service in connection with the project.

(c) The charges imposed under Subsection (a) must comply with the requirements of any governmental agency lending or providing funds for the project.

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

Sec. 1508.110. USE OF INCOME FOR OTHER PURPOSE PROHIBITED. A municipality may not use the income from a project described by Section 1508.102 to pay another debt, expense, or obligation of the municipality until the debt secured by the income is fully paid.

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

Sec. 1508.111. MANAGEMENT AND CONTROL. (a) The contract under which a project authorized by Section 1508.102 is encumbered must provide for the placement of the management and control of the

project during the time the project is encumbered in:

- (1) the governing body of the municipality; or
- (2) another governing body established for that purpose by the governing body of the municipality.

(b) The governing body that manages and controls a project under Subsection (a) may:

- (1) adopt rules governing the use and rental of the project and for the payment of rents and concession charges; and

(2) provide penalties for:

- (A) the violation of rules adopted under Subdivision (1);

(B) the use of the project without the consent or knowledge of the authorities in charge of the project; or

(C) any interference with, trespass on, or injury to the project or the property on which the project is located.

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

Sec. 1508.112. APPOINTMENT OF TRUSTEE; ATTORNEY'S FEES. A contract under which a project is encumbered under this subchapter may provide for:

(1) the selection of a trustee to sell the project on:

- (A) a default in the payment of principal or interest; or

(B) a violation of the terms of the encumbrance;

(2) the selection of a successor trustee if the original trustee or a substitute trustee is disqualified or fails to act; and

(3) attorney's fees in an amount not to exceed 10 percent of the unpaid principal.

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

Sec. 1508.113. NOTICE TO GOVERNING BODY BEFORE FORECLOSURE OR OTHER ACTION. (a) Unless written notice is given to the governing body of the municipality in accordance with this section that there is a default in payment of any installment of principal of or interest on an obligation issued under this subchapter or another violation of the terms of the pledge or loan:

(1) a collection fee may not accrue;

(2) a foreclosure proceeding may not be initiated in a court or through a trustee; and

(3) an option to mature any part of an obligation because of the default may not be exercised.

(b) A notice under Subsection (a) must be sent by prepaid registered mail to each member of the governing body of the municipality, addressed to the member at the post office in the municipality.

(c) An action described by Subsection (a) may not be taken:

(1) before the 91st day after the date the notice is mailed; or

(2) if the default that gave rise to the action is cured within the time described by Subdivision (1).

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

SUBCHAPTER D. BONDS FOR PARKS AND RECREATIONAL FACILITIES IN MUNICIPALITIES WITH POPULATION OF 1.9 MILLION OR MORE

Sec. 1508.151. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality with a population of 1.9 million or more.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.
Amended by Acts 2001, 77th Leg., ch. 669, Sec. 31, eff. Sept. 1, 2001.

Sec. 1508.152. AUTHORITY FOR PARK FACILITIES. (a) A municipality may acquire by any means or construct, improve, or equip property for park purposes, including establishing, acquiring, leasing or contracting for as lessee or lessor, constructing, improving, enlarging, equipping, maintaining, repairing, or operating:

- (1) a golf course, clubhouse, or pro shop;
- (2) a tennis court or facility;
- (3) a swimming pool;
- (4) a marina;
- (5) a recreation center;
- (6) a rugby field;
- (7) a baseball field;
- (8) a zoo;
- (9) a clarification lake or pool;
- (10) a park transportation system or equipment;
- (11) a theater;

- (12) a bicycle trail;
- (13) a multipurpose shelter;
- (14) a service facility;
- (15) a recreational facility;
- (16) a water, sewer, or drainage facility necessary for a facility described by Subdivisions (1)-(15); or
- (17) a structure, area, or facility to be used in connection with a facility described by Subdivisions (1)-(15) for parking and storage of motor vehicles or other conveyances.

(b) A municipality may enter into an agreement under which a facility described by Subsection (a) is operated on behalf of the municipality.

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

Sec. 1508.153. AUTHORITY TO ISSUE REVENUE BONDS. The governing body of a municipality by ordinance may issue revenue bonds for a purpose authorized by Section 1508.152.

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

Sec. 1508.154. PLEDGE OF REVENUE. A municipality may pledge all or part of the revenue, income, or receipts from a facility described by Section 1508.152(a) to the payment of bonds, including principal, interest, and any other amounts required or permitted in connection with the bonds.

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

Sec. 1508.155. ADDITIONAL SECURITY. (a) The bonds may be additionally secured by:

(1) an encumbrance on any real property relating to a facility described by Section 1508.152(a) owned or to be acquired by the municipality; or

(2) an encumbrance on any personal property appurtenant to that real property.

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

(c) The municipality may also pledge to the payment of the bonds all or part of any grant, donation, revenue, or income received or to be received from the United States or any other public or private source.

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

Sec. 1508.156. 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. 1508.157. ADDITIONAL BONDS. The ordinance that authorizes the issuance of bonds under this subchapter may provide for the issuance of additional parity bonds or subordinate lien bonds under the terms specified in the ordinance.

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

Sec. 1508.158. SALE OF BONDS. A municipality may sell bonds issued under this subchapter in the manner and under the terms provided in the ordinance authorizing the issuance of the bonds.

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

Sec. 1508.159. REVIEW AND APPROVAL OF CONTRACTS BY ATTORNEY GENERAL. (a) If the bonds 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 relating to it must also 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 under Chapter 1202 and the contract is approved under Subsection (b), the contract is incontestable for any reason and is a 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. 1508.160. CHARGES. (a) The governing body of a municipality may impose and collect charges for the use of a facility described by Section 1508.152(a).

(b) A municipality shall impose and collect charges in an amount 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; 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. 1508.161. USE OF AD VALOREM TAXES. (a) In addition to or instead of a pledge of revenue, a municipality may impose and pledge to the payment of any portion of the operation and maintenance costs of a facility described by Section 1508.152(a) a continuing annual ad valorem tax imposed at a rate sufficient for that purpose as provided in the ordinance authorizing the issuance of bonds under this subchapter.

(b) A tax under this section:

(1) must be imposed at a rate within any limit contained in the municipal charter; and

(2) may not be used for the payment of the principal of or interest on the bonds.

(c) The proceeds of a tax pledged under this section shall be used annually, to the extent required by or provided in the ordinance authorizing the issuance of the bonds, for the operation and maintenance of the facility.

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

Sec. 1508.162. REFUNDING BONDS. (a) A municipality may refund or otherwise refinance bonds issued under this subchapter by issuing refunding bonds under any terms provided by the ordinance authorizing the issuance of the bonds. 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.

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

(c) 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 issuance of the 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. 1508.163. PUBLIC PURPOSE. Each purpose authorized by Section 1508.152 is a public purpose and a proper municipal function.

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

Sec. 1508.164. CONFLICT OR INCONSISTENCY WITH OTHER LAW. When bonds are issued under this subchapter, to the extent of any conflict or inconsistency between this subchapter and another law or a charter provision of a home-rule municipality, this subchapter controls.

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

SUBCHAPTER E. CERTIFICATES OF INDEBTEDNESS FOR SEA LIFE PARK AND OCEANARIUM

Sec. 1508.201. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality that owns a sea life park and oceanarium for which any portion of the costs of construction, equipment, or development is paid from the proceeds of general obligation park bonds authorized by an election held in the municipality.

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

Sec. 1508.202. AUTHORITY TO ISSUE CERTIFICATES OF INDEBTEDNESS. (a) The governing body of a municipality by ordinance may issue certificates of indebtedness to obtain money to:

(1) operate, maintain, repair, develop, or expand the sea life park and oceanarium;

(2) acquire equipment and inventories for the sea life park and oceanarium;

(3) pay for services when performed, or for items when acquired, for the benefit of the municipality under an agreement relating to the development, operation, equipping, staffing, or maintenance of the sea life park and oceanarium, including a lease, use, purchase, concession, or operating agreement; or

(4) acquire a facility, asset, or right from an operator under Section 1508.206.

(b) A municipality may issue certificates of indebtedness for a purpose described by Subsections (a)(1)-(3) in connection with another public facility:

(1) owned by the municipality in conjunction with the sea life park and oceanarium; and

(2) authorized under Subchapter B, Chapter 305, Local Government Code, or Subchapter A, Chapter 1504.

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

Sec. 1508.203. SECURITY FOR CERTIFICATES. (a) Certificates of indebtedness issued under this subchapter may be secured by and made payable from:

- (1) taxes;
- (2) revenue; or
- (3) both taxes and revenue.

(b) To secure the repayment of certificates of indebtedness issued under this subchapter or bonds issued to refund certificates of indebtedness issued under this subchapter, the governing body of a municipality may:

(1) pledge any portion of the revenue from the ownership or operation of any facility, asset, or right under this subchapter; or

(2) execute a deed of trust or mortgage lien on any portion of a facility described by Section 1508.202.

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

Sec. 1508.204. SALE OR DELIVERY OF CERTIFICATES. The ordinance authorizing the issuance of certificates of indebtedness under this subchapter may include provisions for any manner of:

- (1) sale of the certificates;
- (2) exchange of the certificates for property or services; or
- (3) delivery of the certificates.

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

Sec. 1508.205. AUTHORITY TO ENTER INTO AGREEMENT REGARDING PUBLIC FACILITIES. (a) The governing body of a municipality may enter into an agreement relating to the operation, maintenance, development, expansion, equipment, or supplying of a public facility described by Section 1508.202.

(b) An agreement authorized by Subsection (a) may be entered into only:

(1) on the issuance of certificates of indebtedness under this subchapter; or

- (2) in anticipation of:
- (A) the issuance of certificates of indebtedness under this subchapter; or
 - (B) the receipt of revenue from a public facility instead of the issuance of certificates of indebtedness.

(c) The agreement may be of a type, on the terms, and entered into under procedures that the governing body determines best, necessary, and proper.

(d) The proceeds from the certificates of indebtedness, or the revenue received instead of issuing certificates, may be used to satisfy an agreement under this section.

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

Sec. 1508.206. ACQUISITION OF PUBLIC FACILITY FROM OPERATOR. (a) A municipality may acquire any portion of a public facility described by Section 1508.202, or an asset or right related to the facility, including broadcasting or similar rights, from a person or corporation that operates any portion of the facility on behalf of the municipality under an agreement, including a lease, use, purchase, concession, or operating agreement, if:

(1) the governing body of the municipality determines that the facility could be better and more efficiently operated directly by the municipality or through another method; and

(2) the person or corporation consents to the acquisition.

(b) The method used by the municipality to operate the facility may include the use of an operating board appointed by the governing body, with the board's powers granted by ordinance or another method.

(c) A facility, asset, or right acquired under this section may be used or sold by the municipality. In conjunction with the use or sale, the municipality may promote or advertise:

- (1) the municipality;
- (2) the facility; or
- (3) an event conducted in or in connection with the facility.

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

Sec. 1508.207. DISCONTINUATION OF SEA LIFE PARK AND OCEANARIUM; SALE OR LEASE OF SURPLUS PROPERTY. (a) The governing body of a municipality by ordinance may abandon the use of property for a sea life park and oceanarium and sell or lease the property for any purpose the governing body determines is appropriate and in the interest of the residents of the municipality if:

(1) the property was partly or wholly financed under this subchapter; and

(2) the governing body finds that use of the property as a sea life park and oceanarium should be abandoned because:

(A) the sea life park and oceanarium is no longer economically feasible; and

(B) the continued use of the property as a sea life park and oceanarium would be unprofitable.

(b) The municipality must sell property under this section only to the highest and best bidder as required for other property sold by the municipality.

(c) The municipality may lease property under this section for another purpose for a term and under such other provisions as agreed to by the governing body.

(d) The municipality shall apply rent received under a lease under Subsection (c) as required by any ordinance authorizing the issuance of certificates of indebtedness secured in whole or in part by revenue derived from the sea life park and oceanarium.

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

Sec. 1508.208. CONFLICT OR INCONSISTENCY WITH OTHER LAW. When any certificates of indebtedness are being issued or any act or contract is undertaken under this subchapter, to the extent of any conflict or inconsistency between this subchapter and another law applicable to the municipality, this subchapter controls.

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