

GOVERNMENT CODE

CHAPTER 1509. OBLIGATIONS FOR OTHER MUNICIPAL PURPOSES  
SUBCHAPTER A. BONDS FOR FACILITIES TO BE SOLD OR LEASED TO PUBLIC OR  
PRIVATE ENTITIES

Sec. 1509.001. AUTHORITY TO ACQUIRE PROPERTY FOR LEASE TO PUBLIC OR PRIVATE ENTITY. (a) A municipality may acquire land and may construct or acquire a building or other facility for the purpose of leasing the land, building, or other facility to:

(1) a political subdivision or state agency for public use;

(2) an individual, private corporation, or other private entity for use in manufacturing or another commercial activity; or

(3) if the municipality is a defense community as defined by Section 397.001, Local Government Code, the federal government to enhance the military value of a military facility located in or near the defense community.

(b) A municipality may not acquire land under Subsection (a) by eminent domain.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999. Amended by Acts 2005, 79th Leg., ch. 1302, Sec. 1, eff. June 18, 2005.

Sec. 1509.002. AUTHORITY TO ACQUIRE PROPERTY FOR SALE OR LEASE TO INSTITUTION OF HIGHER EDUCATION. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) This section applies only to a municipality that:

(1) has a population of more than 15,000 but less than 16,000; and

(2) is located in two counties with populations of 325,000 or more but less than 3.5 million.

(c) A municipality may acquire land and may construct or acquire a building or other facility for the purpose of selling or leasing the land, building, or other facility to an institution of higher education that will provide a significant number of vocational and vocational-technical education courses in the facility for public use.

(d) The municipality may sell or lease the property:

(1) without public notice or bidding; and

(2) on terms the governing body of the municipality finds acceptable.

(e) A municipality may not acquire land under this section by eminent domain.

(f) A sale under Subsection (c) may be by an installment sale agreement or otherwise.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 32, eff. Sept. 1, 2001.

Sec. 1509.003. AUTHORITY TO ISSUE BONDS. To develop and diversify the economy of this state and eliminate unemployment or underemployment in this state under the authority granted by Section 52-a, Article III, Texas Constitution, a municipality may issue and sell bonds to finance an action taken under Section 1509.001 or 1509.002.

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

Sec. 1509.004. BOND PAYMENTS FROM REVENUE OR TAXES. (a) A municipality may provide for payment of the principal of and interest on bonds issued under this subchapter by:

(1) pledging all or part of the revenue from the sale or lease of all or part of the land, building, or other facility financed by the bonds, after deduction of reasonable operation and maintenance costs;

(2) imposing an annual ad valorem tax; or

(3) combining those sources.

(b) A municipality with a population of 80,000 or more may also provide for the payment of the principal of or interest on the bonds by pledging all or any part of other municipal revenue that is not prohibited from being used for that payment.

(c) A municipality with a population of at least 50,000 that has taken action under Section 1509.001(a)(3) may also provide for the payment of the principal of or interest on the bonds issued to finance the action taken by pledging all or any part of other municipal revenue that the municipality is not prohibited from using for that payment.

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

Amended by Acts 2005, 79th Leg., ch. 1302, Sec. 2, eff. June 18, 2005.

Sec. 1509.005. ELECTION REQUIRED TO SECURE BONDS WITH TAX REVENUE. Bonds to be issued under this subchapter that are payable in whole or in part from ad valorem taxes must be approved, before issuance, by a vote of a majority of the registered voters of the municipality voting on the issue.

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

Sec. 1509.006. CONTENTS OF ORDINANCE, ORDER, OR RESOLUTION AUTHORIZING BONDS. (a) In the ordinance, order, or resolution authorizing the issuance of bonds under this subchapter, the governing body of a municipality may provide for the deposit and accounting of money and the establishment and maintenance of an interest and sinking fund, a reserve fund, or another fund.

(b) The ordinance, order, or resolution may make additional covenants relating to the bonds, the pledged revenue, or the operation and maintenance of any land, building, or other facility the revenue of which is pledged for bond payments.

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

Sec. 1509.007. ADOPTION AND EXECUTION OF DOCUMENTS. The governing body of a municipality may adopt and have executed any proceeding or instrument necessary and convenient in:

(1) the issuance of bonds under this subchapter; or

(2) the acquisition and sale or lease of any land, building, or other facility under Section 1509.001 or 1509.002.

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

Sec. 1509.008. 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. 1509.009. IMPOSITION OF TAX. (a) The governing body of a municipality may annually impose ad valorem taxes to pay the principal of and interest on bonds issued under this subchapter that are payable in whole or in part from ad valorem taxes only if the taxes are approved at an election held under Section 1509.005.

(b) A municipality may not impose ad valorem taxes to pay the principal of or interest on bonds issued under this subchapter payable wholly from revenue from one or more leases or other contracts made under this subchapter.

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

Sec. 1509.010. GRANTS FOR PRISONS OR LAW ENFORCEMENT FACILITIES NOT PROHIBITED. This subchapter does not prohibit a municipality from making a grant of money or property to an agency of this state to assist the agency in acquiring or developing a site for a prison or other law enforcement detention facility, regardless of whether the site is located inside or outside the municipal boundaries.

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

SUBCHAPTER C. BONDS FOR FARMERS' MARKETS IN MUNICIPALITIES WITH POPULATION OF MORE THAN 650,000

Sec. 1509.101. 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. 33, eff. Sept. 1, 2001.

Sec. 1509.102. DEFINITION. In this subchapter, "farmers' market" means a public marketplace where a person is permitted to sell agricultural and other products.

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

Sec. 1509.103. AUTHORITY FOR FARMERS' MARKET. A municipality may:

(1) acquire, lease as lessor or lessee, construct, improve, enlarge, or operate a farmers' market; and

(2) contract with any public or private entity to perform any function authorized by this section.

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

Sec. 1509.104. AUTHORITY TO ISSUE REVENUE BONDS. The governing body of a municipality may issue revenue bonds for a purpose authorized by Section 1509.103.

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

Sec. 1509.105. PLEDGE OF REVENUE. A municipality may pledge all or part of the revenue, income, or receipts from the farmers' market to the payment of the 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. 1509.106. ADDITIONAL SECURITY. (a) Bonds issued under this subchapter may be additionally secured by:

(1) an encumbrance on any real property relating to a farmers' market owned or to be acquired by the municipality;

(2) an encumbrance on any personal property appurtenant to real property described by Subdivision (1); or

(3) a pledge of any portion of a grant, donation, or 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. 1509.107. 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. 1509.108. 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. 1509.109. 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. 1509.110. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS. (a) If bonds issued under this subchapter state that the bonds 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 under 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. 1509.111. CHARGES. (a) The governing body of a municipality may impose and collect charges for the use or availability of the farmers' market.

(b) The municipality shall impose and collect pledged 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 farmers' market.

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

Sec. 1509.112. REFUNDING BONDS. (a) A municipality may refund or otherwise refinance bonds issued under this subchapter by issuing refunding bonds under any terms provided by an 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 to be refunded by them. In that case, the comptroller shall register the refunding bonds and deliver them to the holder of the bonds to be 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. 1509.113. PUBLIC PURPOSE. The acquisition,

construction, improvement, enlargement, equipment, operation, or maintenance of property or a facility for providing a farmers' market is a public purpose and a proper municipal function.

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

Sec. 1509.114. 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, this subchapter controls.

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

SUBCHAPTER D. BONDS FOR GARBAGE RECLAMATION PROJECTS

Sec. 1509.151. DEFINITION. In this chapter, "garbage reclamation project" means an undertaking by which solid waste products are converted into a form usable by persons for any purpose, including the production of energy.

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

Sec. 1509.152. AUTHORITY FOR GARBAGE RECLAMATION PROJECTS. A municipality may own and operate a garbage reclamation project.

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

Sec. 1509.153. AUTHORITY TO ISSUE BONDS. If necessary to exercise the authority granted by Section 1509.152, the governing body of a municipality may issue and sell bonds to finance:

(1) the purchase, lease, or acquisition by another method of land, a facility, equipment, or supplies;

(2) the construction or improvement of a facility; and

(3) the installation of equipment.

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

Sec. 1509.154. BOND PAYMENTS FROM REVENUE OR TAXES. The governing body of the municipality may provide for payment of the principal of and interest on bonds issued under this subchapter by:

(1) pledging all or part of the revenue from the ownership or operation of a garbage reclamation project;

(2) imposing an ad valorem tax; or

(3) combining those sources.

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

Sec. 1509.155. ADDITIONAL SECURITY. (a) Bonds issued under this subchapter may be secured additionally by an encumbrance on part or all of the physical property of the garbage reclamation project and each right relating to that property, vesting in the trustee the power to:

(1) operate the property;

(2) sell the property to pay the debt; or

(3) take any other action to secure the bonds.

(b) Regardless of an encumbrance on the property, a trust indenture on the property may:

(1) contain any provision that the governing body of the municipality prescribes for the security of the bonds and the preservation of the trust estate;

(2) provide for amendment or modification of the trust indenture; and

(3) provide for investment of revenue from the garbage reclamation project.

(c) A purchaser under a sale under the encumbrance of the property:

(1) is the absolute owner of the property and the rights purchased; and

(2) may maintain and operate the property.

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

Sec. 1509.156. ELECTION. (a) The governing body of the municipality may not issue bonds under this subchapter unless the issuance is authorized by a majority of the qualified voters of the municipality voting at an election held for that purpose.

(b) The governing body shall hold the election, to the extent practicable, in compliance with Chapter 1251.

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

Sec. 1509.157. BALLOT PROPOSITION. (a) At an election to authorize bonds payable wholly from revenue from the garbage reclamation project, the ballots shall be printed to provide for voting for or against the proposition: "The issuance of bonds for a garbage reclamation project in the amount of \$\_\_\_\_\_ and the pledge of net revenue from the project for the payment of the bonds."

(b) At an election to authorize bonds payable wholly from ad valorem taxes, the ballots shall be printed to provide for voting

for or against the proposition: "The issuance of bonds for a garbage reclamation project in the amount of \$\_\_\_\_\_ and the imposition of taxes for payment of the bonds."

(c) At an election to authorize bonds payable from both revenue from the garbage reclamation project and ad valorem taxes, the ballots shall be printed to provide for voting for or against the proposition: "The issuance of bonds for a garbage reclamation project in the amount of \$\_\_\_\_\_ and the pledge of net revenue and the imposition of ad valorem taxes adequate to provide for the payment of the bonds."

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

Sec. 1509.158. CONTENTS OF ORDER OR RESOLUTION AUTHORIZING BONDS. (a) An order or resolution of the governing body of the municipality 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, a reserve fund, or another fund.

(b) The order or resolution may:

(1) prohibit the further issuance of 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 that are on a parity with, or subordinate to, the lien and pledge on the revenue being used to support the bonds being issued.

(c) The order or resolution 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 garbage reclamation project the revenue of which is pledged.

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

Sec. 1509.159. ADOPTION AND EXECUTION OF DOCUMENTS. The governing body of the municipality may adopt and have executed any other proceeding or instrument necessary and convenient in the issuance of bonds under this subchapter.

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

Sec. 1509.160. 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. 1509.161. IMPOSITION OF TAX. (a) The governing body of the municipality may annually impose ad valorem taxes to pay bonds issued under this subchapter that are payable in whole or in part from ad valorem taxes.

(b) The governing body may not impose ad valorem taxes to pay the principal of or interest on bonds issued under this subchapter payable wholly from revenue from a garbage reclamation project.

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

Sec. 1509.162. REFUNDING BONDS. (a) A municipality may issue refunding bonds to refund all or any part of its outstanding bonds issued under this subchapter, including matured but unpaid interest coupons. The comptroller shall register refunding bonds on the surrender and cancellation of the bonds being refunded. The refunding may take place in one delivery or in installment deliveries.

(b) The refunding bonds may be payable from the same sources as the bonds to be refunded or from other additional sources.

(c) A municipality may, in the order or resolution authorizing the issuance of the refunding bonds, provide for the sale of the refunding bonds and the deposit of the proceeds in the place at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued before the cancellation of the bonds to be refunded.

(d) If refunding bonds are issued before cancellation of the bonds to be refunded, the municipality shall deposit an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if the bonds have been called for payment before maturity according to their terms, in each place at which the bonds to be refunded are payable. The comptroller shall register the refunding bonds without the surrender and cancellation of bonds to be refunded.

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

Sec. 1509.163. EXEMPTION FROM TAXATION. A bond issued under this subchapter, any transaction related to the bond, and profits made in the sale of the bond are exempt from taxation by this state or by a municipality or other political subdivision of this state.

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

SUBCHAPTER E. BONDS FOR ACQUISITION OF PROPERTY BY MUNICIPALITY  
OPERATING TOLL BRIDGE OVER RIO GRANDE

Sec. 1509.201. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality that owns and operates a portion of a toll bridge over the Rio Grande.

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

Sec. 1509.202. AUTHORITY FOR PROPERTY, FACILITY, OR ACTIVITY. A municipality may acquire, construct, improve, enlarge, equip, operate, or maintain property, a facility, or an activity for a public purpose.

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

Sec. 1509.203. AUTHORITY TO ISSUE REVENUE BONDS. To provide money to acquire, construct, improve, enlarge, or equip property or a facility for a public purpose, the governing body of a municipality may issue revenue bonds that are payable from and secured by a lien on and pledge of all or any part of the revenue, income, or receipts the municipality receives from its ownership and operation of:

- (1) a portion of a toll bridge over the Rio Grande; or
- (2) property, a facility, or an activity.

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

Sec. 1509.204. PLEDGE OF REVENUE. A municipality may pledge to the payment of bonds issued under this subchapter, including the principal of, interest on, or another amount required or permitted to be paid in connection with the bonds, all or any part of its revenue, income, or receipts from:

- (1) a charge authorized by Section 1509.210; or
- (2) another resource.

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

Sec. 1509.205. ADDITIONAL SECURITY. (a) Bonds issued under this subchapter may be additionally secured by:

(1) an encumbrance on any real property owned 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. 1509.206. BONDS NOT PAYABLE FROM TAXES. A bond issued under this subchapter:

(1) is payable only from the revenue, income, receipts, or another resource of the municipality as provided by this subchapter; and

(2) is not a tax obligation of the municipality.

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

Sec. 1509.207. MATURITY. A bond issued under this subchapter must mature not later than 50 years after its date.

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

Sec. 1509.208. ADDITIONAL BONDS. The ordinance authorizing the issuance of bonds under this subchapter may provide for the subsequent issuance of additional parity 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. 1509.209. SALE OF BONDS. A municipality may sell bonds issued under this subchapter in the manner and on the terms provided by the bond authorization.

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

Sec. 1509.210. CHARGES. (a) The governing body of the municipality may impose and collect a charge for the use or availability of:

(1) municipal property, including a toll bridge or other facility; or

(2) a municipal activity or operation.

(b) The governing body shall impose and collect pledged charges in an amount that will be at least sufficient, with any other pledged resource, to provide for the payment of:

(1) the principal of, interest on, and any other amount 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 property, toll bridge, or other facility.

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

Sec. 1509.211. LEASE OR RENTAL OF PROPERTY OR FACILITY TO UNITED STATES. The municipality may lease or rent to the United States any property or facility acquired, constructed, improved, enlarged, or equipped in whole or in part with 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. 1509.212. REFUNDING BONDS. (a) A municipality may refund or otherwise refinance bonds issued under this subchapter by issuing refunding bonds under any terms provided by an 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 to be refunded by them. In that case, the comptroller shall register the refunding bonds and deliver them to the holder of the bonds to be 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. 1509.213. PUBLIC PURPOSE. The acquisition, construction, improvement, enlargement, or equipment by a municipality of property or a facility for lease or rental to the United States for use in performing a federal governmental function in the municipality or at or near and relating to a toll bridge of the municipality is a public purpose and a proper municipal function, regardless of whether the toll bridge or the federal facility relating to the bridge is located inside or outside the municipal boundaries.

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

Sec. 1509.214. CONFLICT OR INCONSISTENCY WITH OTHER LAW. When bonds are being issued under this subchapter, to the extent of a conflict or inconsistency between this subchapter and another law, this subchapter controls.

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

#### SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 1509.901. PLEDGE OF REVENUE FROM TOLL BRIDGE CONTRACT. A municipality that receives revenue because of a contract with another municipality relating to the operation of a toll bridge over the Rio Grande may appropriate or pledge all or any part of that revenue to:

(1) redeem or pay the principal of or interest on any bond, note, or warrant that the municipality is authorized to issue; or

(2) retire any other debt the municipality is authorized to incur.

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

Sec. 1509.902. AUTHORITY TO ISSUE BONDS PAYABLE FROM TOLL BRIDGE REVENUE; PLEDGE OF TOLL BRIDGE REVENUE. (a) This section applies only to a municipality that:

(1) has located within its municipal boundaries or within 15 miles of its municipal boundaries a toll bridge over the Rio Grande; and

(2) receives revenue because of that bridge, including revenue received under a contract with another municipality relating to the operation of that bridge.

(b) The municipality may issue revenue bonds under this section payable from revenue received because of the toll bridge to acquire, construct, repair, extend, or improve any public building, utility system, or other public property or facility the governing body of the municipality considers necessary and appropriate.

(c) A municipality may issue the bonds without an election if the governing body of the municipality authorizes the issuance by ordinance.

(d) Subject to any covenant relating to an outstanding bond of the municipality, a municipality may appropriate or pledge to

the payment of bonds issued under this section all or any part of the revenue the municipality receives because of the toll bridge.

(e) A bond issued under this section must mature not later than 40 years after its date.

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