

**CHAPTER 471**

**H.B. No. 2248**

**An Act relating to the refunding of bonds by levee improvement districts.**

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Chapter 57, Water Code, is amended by adding Section 57.2131 to read as follows:

*Sec. 57.2131. ALTERNATIVE METHODS OF ISSUING REFUNDING BONDS. (a) A district may issue refunding bonds as provided for in this section, notwithstanding Section 57.213 of this code.*

*(b) A district may issue bonds to refund all or any part of its outstanding bonds, notes, or other obligations including matured but unpaid interest.*

*(c) Refunding bonds shall mature serially or otherwise not more than 40 years from their date and shall bear interest at any rate or rates permitted by the constitution and laws of the state.*

*(d) Refunding bonds may be made payable from the same source as the bonds, notes, or other obligations being refunded or from other additional source or sources.*

*(e) The refunding bonds must be approved by the attorney general in the manner provided by law for other bonds of the district and shall be registered by the comptroller on the surrender and cancellation of the bonds being refunded.*

*(f) The orders or resolutions authorizing the issuance of the refunding bonds may provide that the refunding bonds will be sold and the proceeds deposited in the place or places at which the bonds being refunded are payable, in which case the refunding bonds may be issued before the cancellation of the bonds being refunded. If refunding bonds are issued before cancellation of the other bonds, an amount which, when added to the earnings and profits from the investment of such amount, is sufficient to pay the interest on and principal of the bonds being refunded to their maturity dates, or to their option dates if the bonds have been duly called for payment prior to maturity according to their terms, shall be deposited in the place or places at which the bonds being refunded are payable.*

*(g) If the district issues refunding bonds in accordance with Subsection (f) of this section, the comptroller shall register refunding bonds without the surrender and cancellation of bonds being refunded.*

*(h) A refunding may be accomplished in one or in several installment deliveries.*

*(i) Refunding bonds are investment securities under Chapter 8, Business & Commerce Code.*

*(j) In lieu of the methods provided in this section and in Section 51.213 of this code, a district may refund bonds, notes, or other obligations as provided by the general law of the state.*

**SECTION 2.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 18, 1985, by the following vote: Yeas 139, Nays 0, 2 present, not voting; passed by the Senate on May 15, 1985, by the following vote: Yeas 31, Nays 0.

Approved: June 11, 1985

Effective: Immediately